DOCUMENT RESUME

ED 310 226 UD 027 052

TITLE	Welfare Reform. Hearing before the Committee on Finance. United States Senate, One Hundredth Congress, Second Session (February 4, 1988). Part 3 of 3.
INSTITUTION	Congress of the U.S., Washington, D.C. Senate Committee on Finance.
REPORT NO	Senate-Hrg-100-450-Pt-3
PUB DATE	88
NOTE	297p.; For related documents, see UD 027 050-051.
AVAILABLE FROM	Superintendent of Documents, Congressional Sales Office, U.S. Government Printing Office, Washington, D.C. 20402.
PUB TYPE	Legal/Legislative/Regulatory Materials (090)
EDRS PRICE	MF01/PC12 Plus Postage.
DESCRIPTORS	Child Advocacy; Child Support; *Child Welfare; Cost Estimates; Economically Disadvantaged; *Employment Programs; Family Financial Resources; *Family Programs; *Federal Legislation; One Parent Family; Policy Formation; Poverty; Program Costs; Program Development; Public Policy; Welfare Recipients; *Welfare Services
IDENTIFIERS	Child Care Legislation; *Proposed Legislation

ABSTRACT

This hearing, the third of three on welfare reform, focuses on the problem of child support and ways to improve the current system. One child in four now lives with a single parent; these children must receive the support that they are due. The hearings also focused on the problems of unemployed parents, and how the welfare system can help prepare welfare recipients for the long term through training, education, and job placement. Among the witnesses were the following: (1) Jeff Bingham, Senator, New Mexico; (2) Thad Cochran, Senator, Mississippi; (3) Jim Mattox, Attorney General, Texas; (4) Pierce A. Quinlan; (5) Gerald W. McEntee, American Federation of State and County Municipal Employees; (6) Regina S. Lipscomb, West Virginia Department of Human Services; (7) Carl B. Williams, Greater Avenues for Independence; (8) Cindy C. Haag, Utah Department of Social Services; (9) Robert G. Williams, Policy Studies, Inc.; (10) Robert Greenstein, Center on Budget and Policy Priorities; (11) David L. Levy, National Council for Children's Rights; and (12) Margaret Prescod, Black Women for Wages for Housework. Also appended are the prepared statements of the witnesses and other material submitted for the record. (BJV)

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S. HRG. 100-450, PT. 3

WELFARE REFORM

ED310226

HEARING

BEFORE THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

SECOND SESSION

FEBRUARY 4, 1988

(Part 3 of 3)

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WELFARE REFORM

THURSDAY, FEBRUARY 4, 1988

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 10:03 a.m. in room SD-215, Dirksen Senate Office Building, Hon. Lloyd Bentsen (chairman) presiding.

Present: Senators Bentsen, Moynihan, Baucus, Riegle, Rockefeller, Packwood, Roth, Danforth, Chafee, Heinz, Wallop, and Durenberger.

[The prepared statements submitted by Senators appear in the appendix.]

[The press release announcing the hearing follows:]

[Press Release No. H-2, January 27, 1988]

FINANCE COMMITTEE TO HOLD HEARING ON WELFARE REFORM

WASHINGTON, D.C.—Senator Lloyd Bentsen (D., Texas), Chairman, announced Tuesday that the Committee on Finance will hold a fourth hearing on welfare reform legislation and a hearing to review the nomination of Sydney J. Olson as Assistant Secretary of the Department of Health and Human Services.

Both hearings will be held on Thursday, February 4, 1988 in room SD-215 of the Dirksen Senate Office Building. The hearing on the Olson nomination will begin at 9:30 a.m., to be immediately followed by the welfare hearing in the same room at approximately 10 a.m.

The welfare hearing is the fourth in a series of full Finance Committee hearings on how best to reform the Nation's welfare system. Bentsen said, "Our goal is to set a new direction for the Nation's welfare system. We must strengthen the ability of those it serves to achieve independence through productive employment."

The Committee will explore various proposals to modify the welfare system, and examine alternatives to current child support enforcement practices.

OPENING STATEMENT OF HON. LLOYD BENTSEN, U.S. SENATOR FROM TEXAS, CHAIRMAN, COMMITTEE ON FINANCE

The CHAIRMAN. This hearing will come to order and get under way. This morning the Finance Committee is holding its fourth hearing on the subject of welfare reform.

Today, we will hear a great deal about the problem of child support, and we are looking for ways to improve our present system. Just the other day, the Census Bureau released some new numbers showing that one child in four now lives with a single parent and that most children—at least 60 percent—may expect to live with one parent for some period of time before they reach the age of 18.

Now, these kinds of facts underscore the urgency of developing an effective and equitable child support system, and they tell us we

are going to have to do a lot better job than we have done in the past in establishing paternity, setting fair and just child support awards, and ensuring that children actually receive the support that they are due.

Child support enforcement is good policy, not only from the standpoint of children, but from the standpoint of the public as well. The Office of Child Support Enforcement tells us that last year for every dollar spent for administrative costs, we brought in $3.57 in collections, and that is a good investment for the taxpayers.

This morning we are also going to hear a lot about the problems of parents without jobs, and we will be looking for new insights into how the welfare system can help prepare welfare recipients for the long term through training and education and placement in productive jobs.

Over the course of the last 6 years, there has been a great deal of progress in developing education, employment, and. training services for welfare recipients. Some of the governors have done an extraordinary job—Governor Clinton of Arkansas, Governor Dukakis in Massachusetts, and Governor Deukmejian in California. These and other governors around the nation have been able to get together with their State legislatures to agree on programs to help families move from welfare to work.

Research by the Manpower Demonstration Research Corporation has demonstrated that these programs can succeed. Some of the results from San Diego, for example, show that welfare recipients participating in an experimental program had a higher employment rate than nonparticipants and that they had wages that were 23 percent higher than those that didn't participate in the program.

At the same time, welfare costs went down by about ten percent. Now, we also understand that that research is not complete. There is a lot more that we have to learn before anyone can say with exact authority which kinds of education and training programs give us the best result.

The programs that MDRC has studied so far have generally offered a very limited range of short-term services with an emphasis on job search and unpaid work experience; and only a few of the participants had very young children who needed extensive child care services.

So, as they have warned us, because of the limited scope of most of these programs that have been studied thus far, we have a lot of key questions that remain unanswered, and that is part of the reason for these hearings.

For example, we don't know whether costly and comprehensive programs, such as those offering for educational or vocational training, will yield more positive impact and prove to be cost effective although we have some recent studies in Baltimore which are encouraging.

Another unanswered question is whether, if women with younger children are involved, if it will even be feasible to provide the child care services that will be needed. There can be no question, however, that child care must be an integral part of any new program that involves mothers of young children.

Last year in a major policy statement on welfare reform, the governors reminded us that it was the States that have led in many of the innovative changes in education and employment programs for welfare recipients; and they stressed the need for continued flexibility in that regard.

Now, this morning we are going to be hearing from witnesses representing States with three very different programs. And I hope they will address the subject of the kind of legislative framework that they think that we need to make these programs work.

What are the appropriate areas for new Federal legislation? And what areas are best left to the States' discretion? All of us here today are concerned about children, and we are looking for ways to help.

We said that this committee is going to make its number one objective this year children and trying to assist in seeing that we have children born, to the extent possible, with sound minds and sound bodies, and that we get them off to a fair start in life, with as much as we can provide them in the way of education and whatever else it will take to help them be productive as their life continues.

It is an investment in the future of our country. To be sure that investment is made, we have set aside some separate block grants for maternal child health care and those kinds of things that we think will be helpful.

This committee has been in the forefront of that effort, and we are going to continue it.

Now, I would like to yield to the distinguished Ranking Minority Member, Senator Packwood.

Senator PACKWOOD. Mr. Chairman, you have said it well. We have lots of witnesses, and I look forward to hearing their testimony.

The CHAIRMAN. Thank you, Senator Packwood. Senator Moynihan.

OPENING STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, U.S. SENATOR FROM NEW YORK

Senator MOYNIHAN. Mr. Chairman, you indeed said it well, and I would put a statement in the record; but I would just like to make three comments about what you said.

The first is that extraordinary statistic; some 60 percent of American children born today will live in a single parent family before they are age 18. Half of those will end up on welfare before they turn 18.

Now, under our Social Security System, which this committee has been responsible for for a half century, we have never known that situation in the history of our society. It is new; it is new to anyone in the world.

Under Social Security—and we are talking now about Social Security—there are two programs that provide for children who live in a single parent, female-headed family. The one is Survivors' Insurance, and the other is Aid to Families with Dependent Children.

Since 1970, children receiving Survivors' Insurance have seen their benefits in real terms increase 53 percent. Children in AFDC

have seen their benefits in real terms decrease by 13 percent, such that you now have a child in SI who gets the average amount of $339 a month and a child in AFDC in the amount of $122 the SI benefit is almost three times as great.

The children are almost identically situated, but our social insurance or Social Security treats them differently. And what is the difference between these children, Mr. Chairman? It is a painful thing to say; it is race. Thank you, sir.

The CHAIRMAN. Senator Danforth, for any comments you might have?

Senator DANFORTH. No comments, Mr. Chairman.

The CHAIRMAN. We are very pleased to have as our first witness our very distinguished friend from the State of New Mexico, Senator Jeff Bingaman.

STATEMENT HON. JEFF BINGAMAN, U.S. SENATOR FROM THE STATE OF NEW MEXICO

Senator BINGAMAN. Thank you, Mr. Chairman, Senator Packwood, Senator Danforth, and Senator Moynihan. I want to compliment the committee for holding this series of hearings. Today we will hear from a distinguished group of witnesses—very expert witnesses—so I will be brief in my comments; but I do want to express my support for this legislation and compliment Senator Moynihan for the leadership he has provided in bringing this issue before the Congress.

I hope we successfully can legislate this bill in this Congress. As many have said, the welfare system we have is one that locks people into dependence; and unfortunately, I think the criticism that it perpetuates a permanent class of poverty-stricken citizens has been shown to be fair to some extent.

Aid for Family's with Dependent Children benefits originally were intended to enable widows to stay home and care for their children. No work incentive was stressed, when the program was initiated and none was stressed when the number of AFDC participants—both mothers and children—ballooned in the 1960s. Some 20 years later, as we once again review this program, we see that the Federal Government and the States largely have failed in any real efforts to get AFDC participants out of poverty and into the work force. This legislation specifically addresses this fundamental problem.

Today, more than 11 million persons receive AFDC benefits and more than 7 million of those recipients are children. In my home State of New Mexico, the problem is particularly critical. Year's ago the Public Voice for Food and Health Policy completed a study profiling rural poverty in New Mexico and three other States. This study revealed that poverty today is significantly higher in New Mexico than it is in the majority of other States.

In 1979, nearly 18 percent of New Mexico's population lived below the poverty line. Of course, that problem is much worse among our minority groups: 23 percent of our Hispanic citizens live below the poverty line; 29.3 percent of our Black citizens; and more than 40 percent of the Native Americans in our State live below

the poverty line, compared to about 13 percent of the Anglo citizens in our State.

The number of New Mexico citizens who participate in State and Federal assistance programs has decreased significantly; and I am concerned.

This welfare reform package is a genuine, constructive effort to do something better for our citizens. I am confident that if we can succeed with it, we will improve the quality of life of many current welfare recipients.

In our State, we have implemented a program called "Project Forward". This is a pilot program to help long-term participants overcome their dependence upon public assistance programs through education and training. Unfortunately, it is a pilot program.

Major reform legislation is pending in our State legislature currently. We have a very lively debate going on, but this is an effort to go many steps further in dealing with the welfare problem.

Let me focus on a particular area that you cited in your opening comments, Mr. Chairman—that is the problem of quality child care. I think the importance of quality child care, particularly for disadvantaged children, is something that no one can dispute. Study after study indicates that the crucial factor in dealing with our national high school dropout rate is improved child care and preschool programs.

Many people find this a hard proposition to grasp; but it is clear that the dropout rate is substantially lower among students who participate in Head Start Programs, preschool programs, and quality child care, than it is among those who do not participate in such programs..

As I indicated earlier, more than 7 million children depend upon Aid to Families with Dependent Children. That means that the parents of more than 7 million children, children who currently receive little or no day care, will soon be required to find day care services for their children while they attend classes or go to work.

The Federal Government must work with the States to ensure that any initiative requiring child care includes provisions for the availability of safe and adequate child care. This is a costly proposition. I well recognize that fact; but it is an essential element to consider as we go forward with this legislation.

This legislation ensures States a stable funding source for child care projects in their entitlement provisions. Title 3 of the Act ensures transitional child care for duly employed and independent parents, and I think that is a step in the right direction.

I urge the committee as it goes forward with its deliberations of this legislation to recognize the vital importance of quality, affordable child care and to recognize, although additional funding may be required, that child care is a good investment. It is an investment that a compassionate society needs to make to benefit itself and its future, not just the disadvantaged children involved.

I compliment you again for this series of hearings. I pledge to support this committee in seeing that the Family Security Act of 1987 becomes law.

The CHAIRMAN. Senator Bingaman, you have been in the forefront of this fight for some time, and your contribution this morn-

ing will be helpful to us. We are looking forward to your support as we move this legislation along. I have no questions. Senator Packwood.

Senator PACKWOOD. No questions, Mr. Chairman.

The CHAIRMAN. Senator Moynihan.

Senator MOYNIHAN. Mr. Chairman, I would just like to thank Mr. Bingaman for his statements, for his support, and for drawing attention to this fact—one child in three will be on welfare before they are 18. Next to public schools, it is our largest public program for children; and we treat these children poorly, and they are minority children.

The State of New Mexico is not different from the State of Maine in this regard. I mean, we have stigmatized this program and the children in it acquire some of that stigma; and we are not going to get away with this.

I very much agree that child care—quality child care—is the "choke point". We simply must help those mothers with safe and affordable child care if they are to leave welfare. I thank you very much, Senator Bingaman.

Senator BINGAMAN. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Danforth.

Senator DANFORTH. No questions, Mr. Chairman.

The CHAIRMAN. Thank you very much for your attendance and your contribution. Senator Thad Cochran, Senator from Mississippi, who has a long history of being interested in this issue; and we are delighted very much to have you this morning.

[The prepared statement of Senator Bingaman appears in the appendix.]

STATEMENT OF HON. THAD COCHRAN, U.S. SENATOR FROM THE STATE OF MISSISSIPPI

Senator COCHRAN. Thank you very much, Mr. Chairman. I appreciate the opportunity to come before the Senate Finance Committee and express my support for the Family Security Act of 1987.

I think a consensus has formed on the need now for welfare reform. There is agreement on the importance of parental support for children, the value of work, the primary responsibility of the individual for himself, but also on the responsibility of the State to provide adequate and sensitive help to those who are unable to provide for their own needs.

It is this meeting of the minds that makes it possible to move forward, and I think we should take advantage of this unique opportunity and legislate some needed changes in the system.

Last year I decided to cosponsor Senator Moynihan's Welfare Reform Bill. In my State of Mississippi, as in many other States, we have far too large a percentage of our total State population who are potentially productive citizens, but who are living and raising their children in poverty and in an environment where it is unlikely that they will gain an appreciation of the value of a job or enjoy the personal confidence gained from being self-sufficient.

Most who are living under these conditions want a much different life for themselves and for their children, but until now there has been little encouragement and for some there is no hope at all.

It is that human condition of despair and hopelessness that we must work to change. Doing that takes commitment, commitment of the Federal Government, to set some reasonable national standards; commitment by Federal and State governments to provide sufficient funding; commitment to create better training and education programs and provide access to day care services; and commitment of welfare recipients to take advantage of the new opportunities.

I am here today to speak out for the welfare recipients in my State who want to be more self-sufficient and who want their children to have a better chance than they did. And I am also representing the other citizens of our State who know all too well that Mississippi's economic future depends on this change.

We start by placing primary responsibility on parents to support their children. In Mississippi, of a total of 174,638 child support cases referred to our welfare department, 73 percent do not have any child support obligation. The automatic wage withholding requirement in the bill makes a needed statement, loud and clear, that this Nation expects fathers to help support their children.

In the work, training, and education component of this bill, flexibility is given to the States to design an education program to fit the needs of the individuals to be served. The bill is structured to target long-term welfare dependents and provide them with new skills and training for a more productive life.

I think the child care provisions in the bill are very important. The child care barrier to work and education is very real; and it is essential that there be a child care component in the welfare reform effort. Needless to say, the issue of expanding benefits has been a big part of the discussion of welfare legislation, particularly in the other body.

For many in my State, the cash benefits are inadequate. In Mississippi, a three-person family receives only $120 per month in cash assistance. Other noncash benefits have set a better pace with the cost of living. Especially helpful are the nutrition assistance and housing programs.

Even though the changes created by this legislation may be incremental, I believe it will prove to be a big step forward in improving our Nation's social policy.

I congratulate Senator Moynihan for his leadership in moving us closer to agreement than many had thought possible. I am ready to go with you to the Senate floor to try to get a bill passed, which can be signed by this President before the 100th Congress comes to a close. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Cochran, that kind of a commitment will be very helpful as this piece of legislation goes to the floor because it will be in part controversial. We are breaking some new ground in some important reforms that I think can be very helpful in making this society of ours not only more compassionate but also more competitive in the world today. I defer to Senator Packwood.

Senator PACKWOOD. No questions, Mr. Chairman.

The CHAIRMAN. Senator Moynihan.

Senator MOYNIHAN. Mr. Chairman, I just want to thank Senator Cochran for his powerful testimony. He made some history this

morning speaking as he did, with the purpose that he did. We are with you, sir.

Think about it—a mother with two children has to live on $120 a month? We have never had a national involvement before——

Senator COCHRAN. That is just the cash assistance. Mr. Chairman, you should observe that there are food benefits and housing benefits and CWET payments and school lunches that are available. So, there are other noncash benefits. One isn't required to live totally on $120, but that is the cash assistance; and that is inadequate.

The CHAIRMAN. Senator Danforth.

Senator DANFORTH. No questions, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Senator COCHRAN. Thank you, Mr. Chairman.

[The prepared statement of Senator Cochran appears in the Appendix.]

The CHAIRMAN. Our next witness is the distinguished Attorney General of the State of Texas, Jim Mattox, who has been a leader in saying that we can enforce the collection of child support. He has been diligent and aggressive in it, in trying to see that those obligations and those commitments are met.

He speaks to a relatively new piece of Texas legislation that, I would say, is in the forefront of stringency in seeing that the State follow through when these payments aren't being made and that the collections be made for the benefit of those children. He is a major proponent of that, and he will discuss how it is working in Texas, plus his recommendations as to what we should do in this legislation.

We are very pleased to have you, Attorney General.

STATEMENT OF HON. JIM MATTOX, ATTORNEY GENERAL OF TEXAS, AUSTIN, TX

Mr. MATTOX. Mr. Chairman, I am delighted to be here before the Finance Committee, and I always like to start off by reminding everybody that I was a three-term member of the U.S. Congress also at one time. I have now gone to where I can labor with the children directly, and I am having a good time doing it.

I would start off by submitting, if I may, my full statement for the record.

The CHAIRMAN. Without objection, that will be done.

Mr. MATTOX. Let me say that I believe the failure to pay child support is a form of child abuse, just as serious as the physical abuse of a child. When there is not proper money for food, clothing, and shelter, I believe that brings about both physical and psychological abuse of the child.

And I am very pleased to be here this morning to support this excellent piece of legislation. I think it takes major steps in the right direction.

I want to remind the committee that the phrase "Women and children first" originated on the night of April 14, 1912, when the Titanic went down in the icy waters of the Atlantic. We are told that women and children were first that night, first to be lifted into the lifeboats, the first to be rowed to safety, the first to be

evacuated from that great ship which was unsinkable. What we are not told, however, is that women and children that were lifted first were the ones that were in first class. Back in the steerage, the vast majority were held back, some of them at gunpoint.

Half of those women and 70 percent of their children went down that fatal night. Today, women and children are still first—first to fall into the gulf of poverty.

We live in a nation that is said to be as unsinkable as the Titanic, yet for far too many American women and children, they are still traveling in the steerage; and there are clearly not enough lifeboats to go around.

Mr. Chairman, I have been on the front lines of this battle for the last 5 years; and I have a number of recommendations to the committee, and they are outlined at the first of my prepared statement there.

The first three, I know, are somewhat controversial, but I cannot pass up the opportunity to make the statements while I have the forum.

The first is that I would say that I do not believe that we can solve our welfare problems unless in some way we take a major step in the direction of controlling the initial having of the children with unplanned parenthood and the children that are born in that forum.

I recognize that this committee has limited jurisdictions, but I would say that, through your AFDC financing mechanism, you could provide both incentives—both positive and negative to encourage the States to establish birth education type programs. And I think it would be very helpful to us in the long run.

The second recommendation in this area is that I think that you should give the States leeway to set the time when an AFDC custodial parent is required to participate in job training or education programs, not necessarily at age one; but give us the flexibility to allow us to use either the average or the median age at which a parent in the regular employment would go back to work after having that child.

I think you should give us that flexibility so that we can pick perhaps an even lower age, should that average time be there.

My third recommendation in this particular area deals with child care. I am deeply concerned about child care because I do not think we can get many people back to work without having adequate child care.

One thing I think we can do is that we can establish some demonstration projects, projects that will use the public school system, particularly before and after school, to take care of the children. It is a very simple concept.

If a parent has to be at work at 7:30 or 8 in the morning, and the school does not start until 8:30 or 8:45, there must be some place for that parent to leave the child. A very simple place to do that is at the school itself.

After work, and the school lets out at 3:30 or 3:45, and the parents do not get off work until 5:30 or 6:00, there should be a time frame there that we can provide that that child be cared for. I would hope that we could provide demonstration projects for that,

and we could also provide remedial education during some of those stays at school.

I am now going to talk to you a bit about what I consider to be the most important areas of child support.

I think that the most important thing that must be done is to shift the burden from collecting child support away from the custodial parent to the State. The reason it is not working today is that custodial parents simply do not have the strength, either financially or otherwise, to collect the child support that is owed to the children; and it is an obligation, not to the custodial parent, but to the child.

My number one recommendation would be to require that the State monitor all child support payments, whether the payments are made either voluntarily or involuntarily into the system. We do this in Texas today.

All child support payments must be paid through the registry of the court, and then forwarded on to the custodial parent or through the child support office and then forwarded on to the parent. That provides the mechanism by which we can keep up accurately with the amount of payment; it stops the court disputes about what is paid,

The bills that are in force mandate that there be a review every two years. Now, that is going to be a major undertaking for the States because no State is set up for that, but if we are going to accomplish that, each State must have an accounting mechanism through which each court can determine exactly how much the child support is being paid.

Very few States have that. We happen to have it in Texas, and it is working very well.

I think that also there should be an accumulation of how much is paid in each State so that we can determine how much is set by the courts and how much is collected through our wage garnishment proceedings. That is my first recommendation in this particular area.

The second recommendation is that, as I read the bill that is before me, you have adopted a program that is very similar to what we have in Texas. If a person goes through the IV-D Program, there must be a wage garnishment or wage assignment provision put in place from the original judgment.

I think that that is excellent. We have had that in Texas for the last two years, and it is working very well.

The thing I would suggest to you, though, is that I think you should put the provision in place and encourage it for all divorces of whatever kind so that there is not a stigma attached to individuals who do not pay.

The problem we have today is that there is only 15 to 20 percent of the people who are paying all the child support that should be paid through the system, voluntarily to the custodial spouse. We have fully 80 percent of the people who are not paying all the child support that is owed.

You need a mechanism that makes the system work better. This is a way to do it, just to put it in place. I think it could be put in place in Texas without any difficulty, and I think other States could do it also. We are already doing what you have mandated in

this bill, and I think you should take it a small step forward; and I think it would be very beneficial for the children.

The last recommendation that I would make in this particular area is that I believe that once there is a complaint filed about the failure to pay child support, then I think it should be the obligation of the state to not only collect the child support but to monitor the child support payments. If the payments are to be made weekly or monthly, ten days after the time those payments are due, if they are not paid, I think that the States should take action immediately to require the paying ex-spouse to be brought into an administrative proceeding.

I know this committee has been struggling particularly with how to get people to pay if they are not wage earners, if they are self-supporting. The best way to do that is to have the State monitor that. There are a number of demonstration projects that are now going on that are excellent that show that we can increase child support payments as much as 30 to 50 percent by having that monitoring by the State and having the State notice the parents who do not make the payments.

Mr. Chairman, I want to move now very quickly into two formula areas that I think are important to us.

The first is that, in my State of Texas and in many others, the legislature has taken it upon themselves to seize a large portion of the earned revenues in Federal bonuses that are received from the child support program.

This last year in Texas, they seized $13 million. Now, if we had all the money we needed to run the child support program, that would be one thing; but we don't. We are handling our program in a very woeful fashion because we do not have adequate resources.

They have taken that $13 million and applied it to other programs. I would say to you that, if you really want to get a hold on this thing, you ought to put a mandated provision in here saying that they cannot take the money away and siphon it off to help balance the budget of other agencies. I think that is an important thing to take place.

My second recommendation to you is that I think we need to remove the cap on non-AFDC cases, on how much the incentive is that we can earn.

There is an overwhelming demand placed on our State agencies by these cases. Just as the last testimony took place, if these child support payments are extremely low, such as they are in Texas and New Mexico, it means that there are a great number of people who do not receive AFDC but are still not able to get their child support.

For instance, in Texas we have twice as many cases pending; we have 117,000 cases pending on AFDC; and we have 200,000 cases that are pending on non-AFDC. We raise twice as much money through non-AFDC collections, but we get no incentive on about 50 percent of those collections.

That is also demonstrated in the first chart that is attached to my testimony there. I would suggest to you that we keep these people off welfare, which is very beneficial to both our State and Federal Governments. I would suggest that we go on and remove

that cap; it would be somewhat more expensive, but I think it would be helpful.

If that does not happen, I think the very last thing that needs to be done most certainly is to remove the cap and allow us to get incentives when we collect non-AFDC cases for other States.

Mr. Chairman, because there is no incentive to do that and the program is working very badly across the United States, you could encourage that to work better by putting in an incentive bonus there.

I would be glad to answer any questions from the Senators.

The CHAIRMAN. Attorney General, that is very interesting testimony. I can understand the reason for taking off the cap. I also understand the extreme cost if we do that and the budgetary constraints that we are facing right now.

I also find it outrageous that the legislature has taken some of those funds and done otherwise with them. I appreciate your bringing that to my attention.

Mr. MATTOX. Mr. Chairman, thank you.

The CHAIRMAN. Now, all these bills call for automatic withholding immediately, the bills that are before this committee. And as you stated, you are the first State, I believe, to put that in effect. What did you do? First, we want to see what we can avoid in the way of pitfalls through the experience of Texas, being the first one to lead in that.

What did you do to get the support of employers and the public in general on this withholding.

Mr. MATTOX. Mr. Chairman, we have had very little problem in that area. The big employers have posed no problem at all, except maybe the Federal contractors who said, for one reason or another, they were Federal enclaves and did not have to abide by State law; but we convinced them otherwise by filing a couple of lawsuits. But overall, there are penalties for employers not complying with that law.

The one thing I want to make very clear to you, though, is that in your provisions, they apply only to child support orders that are ordered through the IV-D agency and not through all the orders that take place.

But in Texas, we amended our statute to require that all child support orders, whether they be through the IV-D agency or through private attorneys, must have wage garnishment provisions in them. The ones that come through the IV-D agency must take place immediately; the ones that are not IV-D orders, there must be 30 days in arrearage.

It is a very practical thing. All IV-D orders are more than 30 days in arrearage, anyway, or they wouldn't be with the agency.

So, I would encourage you at a minimum to encourage the States to adopt a provision that says that all child support orders should go into effect immediately; it would destigmatize the individuals who pay through the wage garnishment program, and I think it is the best approach to helping the children.

The CHAIRMAN. I think that has a lot of merit to it. I appreciate that comment. Senator Packwood.

Senator PACKWOOD. No questions, Mr. Chairman.

The CHAIRMAN. Senator Moynihan.

Senator MOYNIHAN. Thank you, Mr. Chairman. Mr. Attorney General, that was very powerful testimony from someone who is there. I want to thank you for that remark, that observation, that failure to support children by an absent parent is a form of child abuse. It is about time somebody called it what it is, and you just did; and that is what we like about Texans around here. [Laughter.]

I have to tell you a little detail on the women and children first who got off the Titanic. They are the ones who got aboard in Southampton. The ones in steerage who had to stay on board and go down with the ship got aboard in Cork.

And it never fails; the stigmatizing of children is something that has gone on through history. We think, sir, that your proposal, as the chairman has indicated, that monies collected through child support should stay in the system. I think that is a powerful idea, and I think the chairman indicated he does, too; and we particularly thank you for it.

In effect you are saying that child support ought to be a "no fault" matter. It is not a question of suspecting some fathers won't pay and trusting that others will; rather, child support collection will be made a routine matter, and it shouldn't say anything one way or the other.

It is obviously something that can be done. You have done it in Texas, and I congratulate you and thank you for this testimony. We will be back at you for some details. Mr. Chairman, thank you.

The CHAIRMAN. Thank you. Senator Roth.

Senator ROTH. I have no questions, Mr. Chairman.

The CHAIRMAN. Senator Rockefeller.

Senator ROCKEFELLER. No questions, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Attorney General. That will be very helpful to us.

Mr. MATTOX. Thank you, Mr. Chairman.

[The prepared statement of Mr. Mattox appears in the appendix.]

The CHAIRMAN. You have rendered a service to us.

Our next witness is Mr. Pierce A. Quinlan, who is the Executive Vice President of the National Alliance of Business Mr. Quinlan, we are delighted to have you.

STATEMENT OF PIERCE A. QUINLAN, EXECUTIVE VICE PRESIDENT, NATIONAL ALLIANCE OF BUSINESS, WASHINGTON, DC

Mr. QUINLAN. Mr. Chairman and members of the committee, I appreciate the opportunity to speak before the committee on issues related to welfare reform.

The National Alliance of Business for 20 years has been involved in working with economically disadvantaged individuals. Today, I am representing Mr. Bill Kolberg, is recovering from heart bypass surgery. But I assure you he has a strong interest in these issues.

The Alliance Strongly supports the thrust towards the jobs direction of welfare reform. We also, Mr. Chairman, support the strengthening of the child support enforcement as an effective avenue that the committee is pursuing.

Let me speak toward the business interest. In the past, welfare reform has clearly not been an important business issue, but we

have seen recently significant shortages of entry level workers in many parts of the United States.

The demographic trends suggest that these shortages will continue. And so, to ensure an adequate supply of labor, we are going to have to develop the productive capacity of groups of people that might have been left out in the past.

In sum, the training of welfare recipients to fill vacancies in the private sector is not only good social policy; it is good economic policy.

We are seeing this convergence of both the social and economic interests; We are finding a situation where the public sector is interested in reducing the social cost of welfare dependency, and the private sector, we think, is becoming more and more interested in finding good sources of trained, effective entry level workers.

We are convinced that this is a critical year and a unique opportunity to enact the welfare reform bill, particularly one with emphasis on employment and training. I would like to commend the committee and especially you, Mr. Chairman and Senator Moynihan, for the leadership you have provided.

The bill, S. 1511, we believe is the most bipartisan of all the approaches, and is an excellent point of action for the committee's examination. We support the provisions in the bill that would require States to establish welfare-to-work programs, grant them the flexibility they need to tailor programs to meet State needs, provide them a base level of funding to continue current efforts, and offer financial incentives to improve and expand on existing welfare-to-work programs, and encourage State experimentation through the demonstration approach.

I would like to cover four issues that we think would further strengthen the bill, particularly in the execution. We find in many of the programs that we have worked, with over the last 20 years that the designs tended to be good, but the execution tended to be flawed.

So, if we can do something about the execution, I think this program will be more effective.

The first concern has to do with private sector involvement. We are pleased that the bill acknowledges the role for the private sector, but we think that there are some things that can be done that would strengthen private sector participation through specifying an institutional framework for private sector involvement.

For example, it is called a jobs bill. I would suggest for the committee's consideration that another way to look at this acronym is "job opportunities in the business sector" because what we are really hoping to get, I believe, is a large number of individuals who otherwise wouldn't be employed into unsubsidized private sector jobs.

That would be, I think, the ideal objective.

Right at the present time, the focus for private sector involvement in job training programs is the private industry councils. There are some 620 of them throughout the United States, involving 10,000 business people. A wide range of community and public sector people serve on these private industry councils.

They have gained, over the last four or five years, a lot of experience in working with disadvantaged individuals, including welfare recipients.

For example, 40 percent of the participants in the JTPA program are receiving public assistance, and about 21 percent are on AFDC. So, there is that basis of experience.

However, I am not suggesting that the jobs program should be run by the job training partnership system or that the funds necessarily be guided in that direction; what I am suggesting is that welfare systems should use the expertise that has been developed in the planning process to determine that we get the best "bang for the buck," so that there is an institutional mechanism at the local level to involve the private sector.

My second point deals with the need for effective local planning. The current welfare system tends to have a focus more on highly centralized State administrations. But we have found through hard experience over the last 20 years that the most effective employment and training programs are those that are planned and designed at the local level.

Since the intent of S. 1511 is to transform the system more into a jobs system, we believe that there should be local planning. The experience that we have gained through the work of Governor Schaeffer in Maryland in a program called "Investment in Job Opportunities" gives a useful example. For example, in Maryland, in the western part of the State, there are very limited job opportunities. So, local planners have tied together welfare programs with economic development programs.

In the eastern part of the State, there are ample job opportunities. So, what they have done is tied together transportation with the job opportunities to make that kind of match.

Through local involvment, you can better meet the local needs. What we are suggesting is that the planning process be conducted jointly among the welfare agency, the local elected officials, and the private industry council. In that way, you can tie together the various kinds of programs that are already existing in many of the communities——

The CHAIRMAN. Mr. Quinlan, I will have to ask you to summarize your comments.

Mr. QUINLAN. All right. Mr. Chairman, I think one of the really key issues for us is the matter of program accountability. We have found that, if there are bottom line performance standards that are spelled out in advance, then the program tends to operate more effectively. I think that is one of the things that the business community would look for.

The House legislation does have a pretty good prescription for setting up performance standards, and it involves the Secretary of Health and Human Services and the Secretary of Labor.

We have gained a lot of experience over the last four or five years with these performance standards.

The CHAIRMAN. Thank you very much, Mr. Quinlan. We have so many witnesses this morning.

Mr. QUINLAN. All right, Mr. Chairman. I appreciate the opportunity to speak.

The CHAIRMAN. I am very pleased to have your testimony, and I am impressed with your argument about the coordination of the welfare agencies and the private industry councils; and I certainly want the private sector involved.

I do get somewhat concerned about some of the experience of the WIN Program with the divided responsibilities, and I don't want to happen to the new jobs program. Would you comment on that?

Mr. QUINLAN. At the time of major operation of the WIN Program, we didn't have an overall coordinative mechanism at a local level called the Private Industry Council.

I would suggest that the way to deal with coordination would be to ensure that the welfare agency is a member of that private industry council. That is the case in most places throughout the United States, but not everywhere.

If we are able to do that, we end up having in effect a board of directors made up of people from both the public and the private sectors that coordinate and plan for the human services programs.

So, you get a better bang for the buck, whether it is financed by the Federal Government, the State government, or at the local level.

We see it working in New Jersey. We see it working in Maine. We see it working in Massachusetts, where the governor has started to tie together all of the human service programs so that the delivery is effective.

The CHAIRMAN. That is helpful. Senator Packwood.

Senator PACKWOOD. Mr. Quinlan, is the country going to be labor short for the foreseeable future, through the end of the century, let's say?

Mr. QUINLAN. Our information seems to indicate that we are going to have significant shortfalls, certainly between now and 1995, on entry level workers. The demographics are very clear on that. We have seen that already last summer on both of our coasts where we have had a significant shortage of entry level workers for summer jobs.

That is the first time in my experience in this field that that has ever happened.

Toward the end of the century, we will be getting more people into the labor force, but there is a significant shortage between now and 1995.

Senator PACKWOOD. There is a company in a small town in northeastern Oregon called Key Technologies that makes very sophisticated food processing equipment. I was struck by one of the ads for their new machines in which they claimed the productivity of this machine could help take care of labor shortages. They were using that as a selling point for the machine.

I assume there must be other brochures out to that effect now. I checked this with Senator Moynihan, who is my guru on this subject. I was asking him about World War II when we were desperately labor short in this country, and I asked him if there were any Federal job training programs at the time, or did Henry Kaiser just take people who had barely ever had electricity in their homes and moved them to the West Coast and taught them the trade of the day.

And he said that basically it was done by private enterprise. Do you agree with that?

Mr. QUINLAN. Yes, I believe so. Yes, sir.

Senator PACKWOOD. What would private enterprise do today? Let's say there was no Government program of any kind—no Government day care program, no job training programs—and you are short of laborers. What would you do to recruit, train, and retain employees? And would it include some component of day care to keep them?

Mr. QUINLAN. I think that many employers are already spending a great deal of money to retrain workers. One of our concerns is that the public school system isn't producing the kinds of qualified workers that can start on the job; and employers are spending somewhere in the vicinity of $30 to $40 billion for training and retraining.

Now, an employer is going to do one of two things; he is going to do the retraining himself and spend the money to do that, or else he is going to ship the production, if that is possible, offshore, which is in our judgment an undesirable objective.

Senator PACKWOOD. If we are now experiencing a shortage of laborers, and apparently will be desperately short in the future, why would it be necessary for the Government to do anything about job training? Would the situation not take care of itself?

Mr. QUINLAN. I suppose it would, except I am afraid there would be serious mismatches. There would be certain groups of people who would not be brought into the process. We are seeing some of that now where we have high unemployment in our inner cities and very low unemployment in the suburban areas. Employers are meeting their needs and are situating in the suburban areas, rather than the urban areas; that misses the whole interconnectedness of all of our communities.

So, I think there has to be a partnership. That is one of the things that we promote—the partnership between the public sector and the private sector so that you are able to do some basic work in the public schools, the three Rs, and then the business community can take on some of the skilled training.

But if you don't have the basic three Rs and you don't have the child care requirements or health care requirements and things of that nature, there is a tendency to move away to other locations.

Senator PACKWOOD. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much. I must excuse myself. The leadership has asked me to meet with them on some scheduling concerns, and I am going to ask Senator Moynihan to chair in my absence.

Senator MOYNIHAN [presiding]. Mr. Quinlan, may I first on behalf of the committee extend our best wishes to Bill Kolberg.

Mr. QUINLAN. Thank you Mr. Chairman.

Senator MOYNIHAN. He testified so effectively before, and I am sure he will get through this, and please give him our regards.

And thank you for your testimony, which is very much reminiscent of a statement by Governor Kean of New Jersey, who was here almost a year ago when we were holding subcommittee hearings, to testify on behalf of the National Governors Association. He described the chairman of his economic commission as saying:

"New Jersey is going to have 800,000 new jobs by the year 2000, and I don't have a child to waste. Not that we ever have a child to waste, but we need these children."

And it is a fact that, for the first time in the 30 years that we have been trying to deal with these problems, demography is working with us, as you say, sir.

Mr. QUINLAN. That is correct.

Senator MOYNIHAN. And the NAB has been helping prepare the disadvantaged for jobs for 20 years now. And I say to my friend, the former chairman Senator Packwood, between now and the year 2000 the population aged 18 to 24—that is the entry level people—declines 23 percent.

Senator PACKWOOD. Absolutely.

Senator MOYNIHAN. And that has already happened; those people have not been born. So, that is what we are already seeing in those numbers. Is that right—18 to 24?

Mr. QUINLAN. It is 18 to 24, and it represents in that period of time 4 million fewer people in that age group.

Senator MOYNIHAN. And so, we are trying to bring people back into the work force who are not in the work force at a time when there is a need for them, which has not ever before happened. The Committee on Economic Development—the CED—has made this point. What is the matter with this country when there is one child in four born into poverty?

As you know, we have a targeting provision; and you might want to talk to this, sir. For most of the people who go on welfare, it is a very brief experience. It is like unemployment, which is a brief experience for most workers, where Social Security is replacement of income; but at any given time, half the people on welfare have been on there a very long time. And those are the ones we want to target, to work with.

The evidence shows that we can; but in the main, those are not people that the private sector is going to reach out and find. They don't know where they are. I mean, they are not in the work force. Isn't that the fact?

Mr. QUINLAN. And they don't have the skills.

Senator MOYNIHAN. Right.

Mr. QUINLAN. And even the job finding skills to get a job.

Senator MOYNIHAN. The job finding skills. Right.

Mr. QUINLAN. So, there has to be a better match. What happens is that you are at least opening the door to the employer with an individual who can be employed. That takes some remedial education, in many instances, a GED, some basic skill training. If you provide that with the child care and some transitional health care, then you have an employee that clearly wants to work; and we have demonstrated over the years that we know how to do that job.

Senator MOYNIHAN. May I give you one statistic? Seventy percent of married women with children are in the work force; fewer than 5 percent of welfare mothers are working full or part time. I mean, they are unemployed at an astonishing rate.

Mr. QUINLAN. But our experience is clearly that they want to work, if you can give them the tools.

Senator MOYNIHAN. Yes. Senator Rockefeller?

Senator ROCKEFELLER. No questions, Mr. Chairman.

Senator MOYNIHAN. Senator Durenberger? I believe you have a statement?

Senator DURENBERGER. Yes. I will be glad to put it in the record, Mr. Chairman, unless someone objects.

OPENING STATEMENT OF HON. DAVE DURENBERGER, U.S. SENATOR FROM MINNESOTA

Senator DURENBERGER. The current discussion on the relativity of demography in reality is very interesting. What bothers me, though, as someone who represents one of these States with sort of everything—it has 60 percent of its people living in an urban area and 40 percent in rural areas—and within that State, you have a large mining area that is totally declining, what bothers me is the ease with which—just at the end of your reply—you said we know how to do all these things.

We can take these people who don't know how to work, or who need education, job skill training, and all that sort of thing; and we just sort of bring them together, and we throw in a little child care, throw in a little education, throw in a little of this, and throw in a little of that.

I just have to say that there is a little bit of an aura of unreality about how easy it is, other that statistically or demographically, to accomplish this.

The people who are underemployed in my State are practically all out in rural Minnesota. They are the people whose families own their homes, but they can't leave them. You know, they got trapped in deflation. They bought a home for $45,000 with their life savings and their job downtown or in the hospital that is dying, or whatever the case may be—and Jay has got this situation in spades in West Virginia, I would think.

You bought the home for $45,000 in the late 1970s or the early 1980s or something like that, and today it is maybe worth $20,000; maybe it is worth $15,000. I don't know what it is; but you can't sell it regardless of what it is worth.

It is hard to pull up your roots. Maybe if you are one of the young children in the family, you can do it; but say, you are in middle age—30 to 40 or whatever it is—and you have the school and the school is dying; and you can't keep the teachers there, and so forth.

I suppose maybe part of my question is that no one argues with the thrust of the leadership, the fact that Senator Moynihan has for 20 years been trying to alert us to some of these problems—but the reality of how much time you think it might take us to bring these people, with all of this potential—if they can just sell their homes or if they can just get this extra education or if they can just be trained in work habits and all that sort of thing—to bring that together with job opportunities that also seem to be kind of shifting all over the place, are they all in the suburbs?

Can they go back downtown? Could we take a computer to a farmhouse, perhaps, or something like that?

Mr. QUINLAN. Senator, I didn't mean to indicate that it is an easy problem that you can solve with the snap of your fingers. I

suspect that many of the people you are talking about already have some skills because they have worked through part of their lives.

I think we are talking about taking a slice of the population that has significant problems that are on various kinds of welfare. I am confident that we can begin to solve those problems, but it is very clear that there are certain areas of the country—and West Virginia certainly would be one of those and many of our rural areas would fall in that category—where we have to have a connection with our economic development activities and the training activities to be able to have any kind of solution.

What happened in western Maryland, which is quite similar to that——

Senator CHAFEE. Mr. Chairman, I wonder if Senator Durenberger would yield to me for one second? I would like to submit a statement, if I might, Unfortunately, I am involved with another hearing upstairs with the Environment Committee, of which I am the chairman of that particular subcommittee.

So, unfortunately, I will have to leave. I will try to come back, but I want to put in this statement, if I might.

Senator MOYNIHAN. We are very happy to have you, and would you excuse me from not being at your committee?

Senator CHAFEE. Oh, yes.

Senator MOYNIHAN. We appreciate very much your cosponsorship of this legislation.

Senator CHAFEE. I am a cosponsor, and I am interested. Thank you very much.

Senator DURENBERGER. I think my colleague is only the ranking member, but his expectation that he might be chairman is music to my ears. [Laughter.]

I have to be at the same hearing. I just have one last question that sort of ties in with this, and I wasn't implying anything in your statement. I was just talking about some of the realities here.

Often, some of these good things that go with bringing people into the work place and the businesses that have to provide them are grinding through in other committees in the form of mandated health benefits, in the form of mandated parental leave, mandated child care—a lot of that sort of thing.

What is your present view of the realities of being able to match up work with workers, if we were to add immediately—say we could pass it this year?—if we were to add immediately to the requirement of employment in America, that the employer must provide health insurance at a certain level, must provide 6 weeks, 16 weeks, or 6 months—whatever it is—of parental leave, must provide *x* number of dollars worth of child care et cetera, to the existing requirements that are there today?

Mr. QUINLAN. What I would say, Mr. Durenberger, is that in a case like that, you are substantially raising the cost of doing business, and that would not be a favorable sort of thing; but over time, I think that employers find that they have to begin to provide these kinds of services, such as child care.

Many of our developers now understand that, if they are to rent a building, they have to have some sort of child care facility in those buildings. So, there is a process that is occurring that I think, as a business organization, we would prefer to see it occur that

way, rather than raising through legislation the cost of doing business.

Senator DURENBERGER. Thank you, Mr. Chairman.

Senator MOYNIHAN. Thank you, Senator Durenberger. Mr. Quinlan, we do very much thank you; and before you leave, to emphasize the point you made about our needing these people, I would like to read from a recent issue of The Economist, the section on science and technology, where a young member of this body who has been working in this field since before the NAB was founded, to wit, Senator Jay Rockefeller, had been working on problems with young people without opportunities.

There is a wonderful phrase, and I don't know if he knows it was in The Economist, but I cite it to you. He said: "Young people learning technology are tomorrow's trade statistics." And the young people we can save from the welfare system are tomorrow's economy in many important ways.

Thank you very much.

Mr. QUINLAN. Thank you, Mr. Chairman.

[The prepared statement of Mr. Quinlan appears in the appendix.]

Senator MOYNIHAN. And now, the last of our individual witnesses, we are very happy to welcome Mr. Gerald McEntee, who is President of the American Federation of State and County Municipal Employees. And you have some associates that you would like to bring along? If you would introduce them to the committee, sir?

STATEMENT OF GERALD W. McENTEE, PRESIDENT, AMERICAN FEDERATION OF STATE AND COUNTY MUNICIPAL EMPLOYEES, WASHINGTON, DC, ACCOMPANIED BY STANLEY HILL, EXECUTIVE DIRECTOR OF AFSCME DISTRICT COUNCIL 37, NEW YORK, AND NANINE MEIKLEJOHN, ASSISTANT DIRECTOR OF LEGISLATION, AFSCME

Mr. MCENTEE. Thank you very much, Mr. Chairman. Good morning. I am testifying today not only on behalf of AFSCME, but also on behalf of the AFL-CIO, of which I am a vice president. With me on my right is Stanley Hill, the Director of District Council 37 in New York, and Nanine Meiklejohn, on my left, a member of the AFSCME staff.

I would like to submit my entire statement for the record and highlight our concerns in my oral testimony.

Our union is committed to meaningful welfare reform which offers recipients a real chance to escape poverty while not jeopardizing the economic security of our members. AFSCME and the AFL-CIO support H.R. 1720, which has passed the House, as a positive step toward that goal.

We oppose both S. 1511 and S. 1655, however, because we disagree with their fundamental premise that the protections and relief offered by the Federal Government to the poor and the powerless should be minimized.

This premise is at the heart of the proposed waiver authority, and it governs the jobs program in S. 1511.

The waivers could jeopardize individual eligibility for the affected programs and could trigger intense struggles in State legisla-

tures for precious program funding. They could nullify longstanding and often hard-won Federal protections.

They also could erase the limited improvements made elsewhere in S. 1511 including new child support enforcement rules, transitional health and child care subsidies, and possibly the mandatory unemployed parent program.

Local control and experimentation may be virtues in one form, but in another they are simply a guise for those seeking to gut domestic programs by turning them back to the States.

The issue is not so much whether the States are creative or not. The real issue is whether we will set in motion a process that will eliminate Federal protections and vital programs, thereby completing the Reagan revolution, even after the Reagan presidency ends.

We would welcome working with you on ways to encourage State flexibility with a proper balance of Federal accountability and protection for the poor; but let's not jeopardize these programs or put poor children and their families at risk.

S. 1511 also does not contain a critical requirement in H.R. 1720 that States provide a broad range of education and training services. Under S. 1511, States could offer only one activity, such as workfare or job search, to everyone.

In varying degrees, S. 1511 and S. 1655 will create additional pressure on the States to rely on lower cost services, such as job search and workfare, under which recipients work at the minimum wage without employee status in exchange for their benefits.

Workfare or CWEP is becoming the public service jobs program in more and more States. It is bad public policy because it overshadows the need to provide necessary training and education programs which require additional funds. It can also retard movement off welfare.

From a labor force perspective, workfare has a job displacement effect similar to that of the youth subminimum wage or outsourcing. We find it intolerable, for example, that a Michigan man can go from being a $13,000 a year county dogcatcher to a $9,000 a year CETA dogcatcher to a $6,000 a year CWEP dogcatcher without the benefits of employee status.

AFSCME supports Federally subsidized jobs when the participants receive the same wages, rights, and benefits as regular employees and when displacement is limited, if not eliminated. CETA has these standards, so does JTPA, and so does the House-passed bill; but the CWEP and work supplementation in S. 1511 do not.

Of the many features of S. 1511, one of the most disappointing is the jobs program. It offers little new to the many recipients who want to become full-fledged members of the work force. Indeed, it may create additional hardship by extending the work rule to mothers with small children without providing a guarantee for safe, quality child care, adequate transitional medical services, or any assurances of a comprehensive array of services that can be adopted to individual needs.

In all fairness, S. 1511 would make some improvements for recipients, but even these limited gains could be erased through the waivers. Unfortunately, the reality of S. 1511 does not match its rhetorical goals. No reform is better than the reform set forth in S. 1511 and S. 1655.

We urge you, however, to seriously consider H.R. 1720. It lacks broad waiver authority, adopts critical equal pay for equal work and antidisplacement provisions, and limits workfare. It will encourage States to support more comprehensive education, employment, and training services; and it gives children a better opportunity for decent child care.

I greatly appreciate this opportunity to testify, Mr. Chairman, and I would be pleased to answer any questions at this time. And I appreciate the fact that, even though the bell rang and the red light went on, you allowed me to finish the statement.

If I may, Mr. Chairman, as well, could I introduce Stanley Hill for just one brief comment from our Council 37 in New York?

Senator MOYNIHAN. It would seem injudicious of a Senator from New York not to allow his friend and fellow New Yorker to speak. Of course. Good morning, sir.

Mr. HILL. Thank you, Senator, especially since we have been missing each other on the phone. Thank you for this opportunity to say something.

I am speaking not only in behalf of the District Council 37, but also on behalf of the six councils of AFSCME, representing 400,000 workers in New York State. We hand-delivered a letter to you yesterday which reflects what President McEntee said. It was from myself, President McGowan of CSEA in Albany New York; Joseph Buerino, Executive Director of Council 66 in Syracuse, New York; Robert McEnroe, Executive Director of Council 1707 in New York City; and Raymond Nowakowki, Executive Director of Council 35 in Buffalo, New York; and Richard Bischert, Executive Director of Council 82.

The letter details specifically our concerns about the labor protections. I would like for the Senator to submit this letter for the record of the Senate Finance Committee hearing on welfare reform.

Senator MOYNIHAN. It is so ordered. It will be included in the record as if read.

[The prepared written statement of Mr. McEntee and the letter appear in the appendix.]

Senator MOYNIHAN. You are getting extra time only because I believe you are the only witnesses who are opposed to this legislation. This will be our final hearing, and we have asked anybody who wants to testify to do so; and you are the only group testifying in opposition to the bill. That is just the way it turned out as far as I know; there may be others, but I am not aware of them.

So, you deserve if not equal time, extra time. [Laughter].

And you are representing the labor movement as well, and you are against this legislation; and we want to hear your views. So, Mr. Hill, do you want to go on?

STATEMENT OF STANLEY HILL

Mr. HILL. I just want to emphasize what President McEntee said. I am a caseworker myself. I came into the system in 1959. And I have been in the labor movement for 25 years, now as an executive director. We have some very serious problems in New York State, and I feel very strongly about the key labor protection clauses that

should go into the bill. But, more important, or equally important, is what I am seeing in the Human Resources Administration in New York City. I am seeing the workers who are competing with the clients who are coming in under the WEP program and are not getting equal pay for equal work. There also is a serious lack of follow-through on the part of the administration in terms of supervision. WEP workers are working as custodial assistants and not getting paid equally. There also are not getting the proper training and skills so they can become a full employee.

Also, something very serious is happening in the senior citizens centers run by HRA where WEP workers are coming into the centers and are not being properly trained or screened in terms of good health care; and some are cooks. This is very serious; I am worried about the elderly citizens.

It is a very, very serious problem in New York City, as well as New York State. And of course, we have the clerical aides who also are affected.

In the 1960s, I organized with my union the pest control program, and we made the——

Senator MOYNIHAN. What program?

Mr. HILL. The Pest Control Program, where many of the workers for the first time got a decent job through this very valuable program, which was initiated by the Federal Government ; and they became city employees. Now, the city is bringing in WEP pest control aides with less money, compared to the pest control workers that came in in the 1960s. This is very demoralizing. They don't have the benefits, and they don't have the equal pay.

When you work beside someone who is doing the same job and you are getting paid less, it is very demoralizing.

These are some of the incidents that are happening in New York City and New York State. The letter we submitted to you yesterday by the six executive directors in New York State outlines the specifics. I am glad you have given me this opportunity just to summarize and give you some idea of what is happening with the thousands of workers who are coming into this program and are not getting equal treatment for an equal day's work.

Senator MOYNIHAN. Mr. Hill, Mr. McEntee, and Ms. Meiklejohn—that is a famous name in the AFL-CIO—I joined my first union, the United Steel Workers of America, just about 45 years ago in the old American Can Company in Long Island City. I have been an Assistant Secretary of Labor under President Kennedy and President Johnson. I very much understand your concerns about whether this group of welfare recipients is going to be used as a kind of reserve army of the unemployed to hold down wages and standards in the public sector; and that is a perfectly legitimate and proper concern.

That is why you are officers of the AFSCME, and you are paid to do that. May I just say to you, and I would like to plead this on behalf of this legislation?

This legislation does not establish the Community Work Experience Program. That goes back to 1981. This legislation has nothing to do with the Community Work Experience Program.

What it does do is create an entitlement for job training and job placement and job search and education for a group of people over-

whelmingly Black and Hispanic in my city—in my State, in our State who have nothing.

The average number of welfare recipients in New York City is almost three quarters of a million people. There are States in the Union—I think there are six States in the Union—that do not have as many people in them as New York City has on welfare.

The benefits for these people in New York City—the average benefits—have declined 35 percent since 1970—35 percent. Now, if anybody had said let's cut the benefits to children by 35 percent, you would ask: Are you some kind of monster? We did. And we did nothing for these children.

And the CWEP Program is there. I have a letter from Mr. Perales that I will put in the record who says that, at this point in the State, there are 5,455 AFDC recipients participating in the Community Work Experience Program. Of these, 4,457 are in New York City, which is most of them.

That is 4,400 out of a quarter million adults. In any event, we don't have anything to do with that.

But I understand your concerns and I share them, but I don't see that this legislation affects them one way or the other.

[The letter appears in the appendix.]

Mr. McENTEE. Could I just make a comment?

Senator MOYNIHAN. Oh, please.

Mr. McENTEE. In the House bill, the CWEP Program was revised, so that recipients could work the 3 months or extended to a 6-month period of time, but with no reassignments, and also with training required.

This is almost a disease that we have suffered from for a number of years. When Stanley Hill was mentioning the examples of the pest control people, and you can multiply that from dog catchers to laborers in Erie County, this is something that those folks have been suffering from. What Stanley Hill was talking about was workfare. It is a tremendous problem for us as a union representing people, but it also is a tremendous problem for the people that are put out on workfare.

We find it very difficult, for example, as Stanley stated, to negotiate a contract where a laborer may be making $9 an hour working in a park as a public sector worker and somebody is assigned to work off their welfare, going to that park, performing the exact same duties, doing the exact same job, but being paid a minimum wage with no fringe benefits. It hurts our union institutionally, and we think it also hurts that person who is being put in there.

Of course, they are grateful. They are grateful that they are in there and getting a certain amount of money. They are grateful for that, but I think it is demeaning when they are doing the exact same kind of job in the exact same kind of environment with other people.

We have had experience in West Virginia—in a major State with workfare—where many of the people, some of them, are somewhat satisfied with the program. But, we also believe if they could get the same rate of pay and the fringe benefits, that they would be even more satisfied, that there would be even more dignity in terms of those jobs.

So, we think that your bill—your bill—can be the vehicle to make this kind of correction in the CWEP program, that everybody has labored under for a number of years.

Senator MOYNIHAN. Thank you very much. I do want to make the point that this has nothing to do with workfare. Senator Packwood.

Senator PACKWOOD. Mr. McEntee, I am struck by your obvious animosity against waivers. In your statement, you say: "Waivers would create State block grants, erasing the Federal protections for poor children, after 50 years of protection," et cetera. You just don't like waivers at all, I take it?

Mr. MCENTEE. That is right. [Laughter.]

Senator PACKWOOD. Now, let me ask you a question. Is your problem that a waiver, giving the State more lattitude over a program, is going to lower the quality of the program? In other words, the State will lower the standards set by the Federal Government, and our standards are presumably the best? Or is your fear contracting out of jobs?

Mr. MCENTEE. No, we are not afraid of the contracting out of jobs. One of our fears is really a lack of control coming from the Federal Government in terms of those individual States. They would have the flexibility, I believe, and I think it is in the bill, to set up demonstration projects in something like ten States with seven programs. They would be able to get a bulk amount of money, instead of the categorial grants.

They would be able to use the money in whatever program they would see fit, whereas, in the House bill, the programs are specified.

We think that kind of flexibility for State governments could possibly hurt the programs.

We also think that it could possibly even hurt the political future of some of the seven programs. In other words, a State could put three-fourths into one particular program, or put half into one or two programs, and the constituency that existed in the other five programs would be diminished and would be diluted. We would lose that constituency. And as you know, as a respected Senator, you need constituents and you need constituencies in order to pass legislation, in order to get support for legislation.

One of our problems is the fact that, under the waiver maybe three or four programs would not be used at all, and we would lose that constituency.

We also think the waivers remove the Federal Government from what is an important Federal Government role in terms of regulations for the States.

Senator PACKWOOD. Let me ask you about a specific waiver. This was not something the Reagan Administration wanted to grant. It was pulling teeth to get them to do it.

Oregon asked for a waiver so that they could use Medicaid funding for home care in addition to, or substitition for, hospitalization and institutionalization. For a year, we could not get the authority. We finally got it.

The Medicaid waiver gives the State the opportunity to experiment and see if they couldn't literally get more for the buck, by keeping people at home instead of institutionalizing them. It has

worked out quite well. Fourty-eight States are now getting this kind of waiver. We finally changed the statute last year to make these waivers a permanant part of the Medicaid program. They are no longer linked to the demonstration at the concept of home and community-based care.

This is an example of a successful experimental program, that I think we would not have gotten to but for the demonstration waivers.

Mr. McENTEE. I said earlier that we don't like waivers, but that doesn't necessarily mean that a waiver or a demonstration project specifically targeted is not a good program. We stand willing to sit down with Senator Moynihan and his staff or anybody else to talk about the waiver language that now exists in the bill to try and deal with targeted, specific demonstration type projects.

So, we are opposed to waivers, but where there are good projects, good particular projects, we wouldn't stand in the way of those.

I am more than willing to sit down and try to work something out, work some language out.

Senator PACKWOOD. Let me ask you a last question in terms of policy. It is unrelated to waivers. We have a Job Corps Center in Oregon called Tongue Point. In the first eight or nine years of its existence, it was very marginal. It almost got cut. As you know, Job Corps programs got cut in a lot of places.

I don't know whether AFSCME organized it, but it was run by public employees. I don't know whether they were organized by AFSCME or somebody else or whether they were ever organized at all. Finally, after eight or nine years, the program was contracted out to RCA Corporation. I think, RCA is still running it—five, six, seven, or eight years later. Its marks have gone up, and its productivity has gone up.

The Government seems happy with it. RCA seems happy with it. Is this a bad policy?

Mr. McENTEE. Is what a bad policy?

Senator PACKWOOD. Contracting out jobs programs to private industry. I don't know if AFSCME had this program organized; but I assume if it was contracted out, Government employees were no longer involved. I am curious as to what your attitude is about things like that.

Mr. McENTEE. We stand, just like on the waivers, against contracting out and the privatization of public services. I don't know this particular or specific case. We inevitably run into the argument that the private sector can do it better, that it is more economic and more efficient in terms of the delivery of public services.

We can point to—and we have the research and statistics to point to—case after case where this was inaccurate. What we have found in many cases is that the employer—the original employer—dealing with the new employer in terms of contracting out, was given a low-ball kind of contract. The contractor could come in with something very low; and then after the work was contracted out, it changes to a very great degree.

As I said, I don't know this specific case, but we are opposed to privatization and contracting out of public services because we think public workers in America, without any profit motive in-

volved, and we think that the Government of America can provide those kinds of necessary services—effectively. and economically.

We have, for the last decade, been sitting down with public employers to deal with ideas on productivity in order to improve the public service; and our union is always ready, willing, and we believe able to do it.

But we think that in almost all circumstances, the public sector can provide a service in a more economic, efficient way to the citizens.

Senator PACKWOOD. Thank you, Mr. Chairman.

Senator MOYNIHAN. Thank you, Senator Packwood. Senator Rockefeller.

Senator ROCKEFELLER. Thank you, Mr. Chairman. I have an opening statement I would like to put in the record.

Senator MOYNIHAN. We will put it in the appendix of the record and I think that should be done with Mr. Durenberger's and Mr. Chafee's statements as well.

Senator ROCKEFELLER. Mr. McEntee, as you know, I represent West Virginia. You have referred to West Virginia; and I must say that, as I listened to you talk, even though you mentioned West Virginia, it seens you don't know much about the State.

As Governor, I started the CWEP Program a number of years ago. It is my feeling that when a State is in a recession, which we have been in for a long time, when there isn't public money available to teach people, train people, give people the kinds of services that you and I want to see them get, and when you get as little as $1 million—as we did in our last cycle from WIN—that you do what you can to assist AFDC recipients become independent and self-sufficient.

I can remember that back in 1982 and 1983, we had 21 percent of our people unemployed. In 1984, when I ran for the Senate 17 percent of our people unemployed. I hear you now, and there a lot of labor unions and antipoverty groups that are asking us to drop the CWEP option. I know your argument is that it is not good enough; it is demeaning; it puts the nation's poor at an unnecessary risk—this seens to be what you said in your testimony.

My question to you is: I don't really understand why CWEP is so bad in your judgment. Nationwide, in 1987 only 4.2 percent of all AFDC recipients were enrolled in CWEP. In the Moynihan bill, CWEP is not a mandate, it is an option.

I mean, there are people in southern West Virginia that are participating in work experiencce who otherwise would be doing nothing; and it is not a question of being demeaning for those who are working under the program because this is their only opportunity. Plus for the communities involved there is no other way in which they can get the services other than through CWEP.

It is not a question of $9 versus $3 an hour; it is a question of no dollars versus no jobs versus no people.

And so you look at CWEP, let's say from a governor's point of view now, and you decide what you must do, and you decide that doing something is better than doing nothing at all.

Ethically, why is that wrong?

Mr. MCENTEE. Oh, I don't know whether I would address it ethically, I mean, in terms of being wrong. The way you put the ques-

tion, it is a very difficult one to answer. The public employer becomes the employer of last resort.

I appreciate the work ethic of folks in West Virginia. We have a union down in West Virginia that we are trying to build. It is very difficult, and it is a tough State. It is a tough State with a lot of unemployment.

But we think that where you have people working in the public sector, with the public employer as a last resort, at the minimum wage with no benefits; and where there are people working at a different kind of wage with fringe benefits, performing the same service, or in a generally recognized similar classification that, those people getting the minimum wage would appreciate getting the comparable wage and fringe benefits.

Now, does that mean that maybe less people would be working? I think the answer to that is probably yes. But if we would multiply that all across the United States, if we would have private employers being employers of the last resort and using workforce in a factory or in starting up a factory operation, we would have hell to pay across this country in terms of machinists and tool and dye makers and all kinds of folks that have a negotiated contract, that have through their blood, sweat and tears been able to get a decent rate and fringe benefits, if other folks came in and did those jobs.

We suffer from this in the public sector all the time. It doesn't happen in the private sector, but we would have chaos on our hands if it did. We recognize the problem, and it is a damned hard problem to deal with in terms of West Virginia.

What we say is, you know, let's have a Government in Washington, DC that is going to come up with more dollars, more funding in the domestic area to try and take care of situations like that, in terms of training and retraining for possible openings in jobs.

And our union is out in the forefront of that and certainly willing to support any kind of legislation and any kind of candidate that is for that kind of program.

But we recognize the problem in West Virginia.

Senator ROCKEFELLER. You recognize it, but it doesn't get reflected in your position; and I guess that is what I care about. I went to West Virginia as a VISTA worker, and I spent two years working in a coal mining community; there were 56 families, of which 50 were on welfare. Nobody had any kind of work whatsoever, and I used to glory in the old dollar an hour program, Mr. Chairman, which has since been dropped.

But quite frankly, when people went off to get a dollar an hour by working on the State road or cleaning up brush at the side of the road, they came back with their dignity intact. If they were with a department of highways supervisor who didn't treat them well, yes they came back with their dignity out of tact; but the point is that the opportunity to work was compared to absolutely no opportunity at all.

I really don't know of anything more demeaning than no hope, no opportunity, no work. It seems to me that what Senator Moynihan is trying to do is to get a bill passed. Yes, it is not everything everybody wants, but it seems to me to be a route to get a majority of votes in the Congress and get it signed by the President. That we would achieve a certain degree of progress, which strikes me as

reasonable, as practical, and in terms of my own words, ethical. And I thank the chairman.

Senator MOYNIHAN. I thank the Senator. If I may exercise a personal privilege, you will perhaps recall that we met when you were a VISTA volunteer in West Virginia; and I was Assistant Secretary for Labor and came down on one of those distant days. You have come a long way, and you haven't stopped yet. Senator Heinz.

Senator HEINZ. I don't know which of you has come further. [Laughter.]

Senator MOYNIHAN. Well, I have stopped.

OPENING STATEMENT OF HON. JOHN HEINZ, U.S. SENATOR FROM PENNSYLVANIA

Senator HEINZ. Mr. Chairman, first let me apologize to you and our witnesses for not being here at the beginning of these hearings. This is one of those days where it is a ten-strike for all my committee chairmen. A Banking Committee is going on, which I haven't gotten to yet. I had to testify before the Rules Committee on the Aging Committee budget. I had to testify before the Environment and Public Works Committee. They wish you well, Mr. Chairman; they miss you. That was on the bill that Senator Mitchell and I introduced to address the oil spills that have taken place.

I am glad I finally made it to the Finance Committee and, in particular, to time it so well to welcome somebody whom I had for many years the privilege to claim as a constituent, Gerry McEntee, who—before he became so exalted and important here in Washington—was equally exalted and important in Pennsylvania.

Mr. MCENTEE. Senator, I am still registered in Pennsylvania. I vote there.

Senator HEINZ. You can tell I really know that. [Laughter.]

And I would ask unanimous consent that my statement be included as part of the record.

Senator MOYNIHAN. Of course, it will be.

Senator HEINZ. I have a couple of questions for President McEntee, but before I pose them, I can't resist making an observation about Senator Rockefeller's comments on job training, with which he is intimately familiar.

Part of the solution to the hard-pressed budgets that States have for job training rests in two initiatives that Senator Rockefeller has taken the leadership on and in which I have been active myself for a long time.

First is the Trade Adjustment Assistance Program, which needs to be made an entitlement, which is under the Senate bill, thanks also, I might add, to Senator Moynihan, and which we hope—by the time we complete action on the trade bill—will reflect the kind of thinking that this committee, the Finance Committee, put into it.

So, there is an underwritten guarantee that, at least in the area of trade impacted workers, there is the real prospect, not the empty promise, of training.

But equally important is the initiative that Senator Rockefeller and I have jointly undertaken to assure that there is adequate funding for displaced workers, Title 3; and we are hopeful that

that, which comes to us in the trade bill courtesy of our friends on the Labor Committee—whose help we welcome—is also retained.

And should both provisions survive conference, as we hope they do, it will make the jobs of governors, such as Senator Rockefeller used to be, one heck of a lot easier, even if it will not address every single one of the problems, including some of the problems that Senator Rockefeller mentioned.

Jerry, I would just like to ask you kind of a philosophical question. You take understandable exception to the broad waiver authority. My question is: Given the fact that Medicaid, AFDC, and in the same sense Title 20, which are our main programs aimed at helping poor people, are genuine Federal/State partnerships. We pay, in the case of the first two, roughly 50 percent of so; in the case of the latter, a higher match. At what point would you draw the line between what you characterize as total flexibility of the States and reasonable flexibility for the States?

How should that line be drawn?

Mr. McEntee. I don't know that we are sure right now where we can draw that line, but Senator Packwood asked essentially the same kind of question, in terms of our opposition to waivers.

In this bill, we believe it is 10 State demonstration with 7 different programs. I think it is much more in the Dole bill. We would be inclined and certainly willing to sit down with members of the staff of this committee and talk about where we would possibly draw that line in terms of waivers.

We are frightened by the waivers. There is some language in the House bill that would allow for some types of experimentation. Maybe that is the answer, and maybe it isn't. But what we are afraid of here is that the waivers would be just so broad and the States would have such flexibility in terms of the entire seven Federal programs that we could find ourselves in trouble in terms of future support for the programs. However, we are ready—even though I am not crazy at all about the waiver situation—to sit down and see if we could have a meeting of the minds on some language.

Senator Heinz. Mr. Chairman, might I presume one further brief question?

Senator Moynihan. Please.

Senator Heinz. Thank you, Mr. Chairman. On CWEP, I don't. Claim to bean expert on the House bill, but my understanding is that, compared to the Senate bill, there are three principal differences; and correct me if I am wrong.

The first is that there is a time limitation—6 months. The second is that there is a prohibition against reassignment. And the third is that there is a grievance procedure.

From your standpoint, were you to suggest a priority ranking for the Senate in adopting not all three but less than three—simply because we are probably stubborn old you-know-whats—but would you give us a priority ranking that if you were a Senator and you were going to adopt only one, or if you were going to adopt two, of those House provisions, which one or two would you adopt?

Mr. McEntee. Right at this moment, we wouldn't single out any of them; but this is the first time this question has been posed to me.

Senator HEINZ. I understand your point of view, but we are talking legislative reality; and I am just trying to get a sense of your priorities.

Mr. MCENTEE. That is right, and we understand that. I think it is an excellent question, that you asked. We have not thought along those lines at all in terms of a particular option. The House bill takes care of all of those problems, which we think, incidentally, are very real and serious problems.

We would really like the opportunity to think about that.

Senator HEINZ. All right.

Mr. MCENTEE. We will take a hard look at it because that is a very important question and an answer that would affect the very soul of the bill.

Senator HEINZ. Very well. Mr. Chairman, I thank you.

Senator MOYNIHAN. I want to thank all three of you and thank the AFL–CIO for its testimony. Let me say two things.

We understand your concerns and share them. You mentioned constituency, and it is a real question. There is no constituency for these children, except a small constituency of conscience. Forty one percent of the children on AFDC are Black, and a majority are Black and Hispanic. They don't vote; they have no lawyers; they have no PAC; they have no organization.

This is our last hearing, so there are people here. The White House has sent some people and HHS has sent some people; and it is really for us a very large turnout.

I have been on this committee for 12 years. I have been chairman of the Subcommittee on Social Security, or ranking member, for 12 years. When you hold a hearing on children, if 10 people are in the room you are lucky, whereas the most obscure tax program will fill Gucci Gulch, as it is called.

People will start showing up at 5 in the morning to get in line, and the partner shows up at 10 and takes the person's place. We have to repaint the hallways after a tax hearing. [Laughter.]

If you have a discussion or hearing on poor children, you can shoot deer in the hallways; and that is just the reality.

We would like to talk about waiver language. We would like to talk with you. We want to meet with you. I think you are here in Washington, Ms. Meiklejohn? And Mr. Stanley, we can talk to you in New York. We look forward to it.

We have a chance. We lost our chance in family assistance—President Nixon's proposal. We lost our chance on the better jobs and income—President Carter's proposal. If we lose this chance, I think in the next century we may return to the subject, and another generation of children will be lost.

Mr. MCENTEE. Senator, could I make just one comment? Since we do have an awful lot of people here who are very concerned about this legislation. Some folks came down from New York. If I could just put their names into the record?

Senator MOYNIHAN. Oh, good.

Mr. MCENTEE. Ron King, the Director of Local Government Operations from CSEA; Walter Cavanaugh, the Staff Coordinator of Council 82; Bob McEnroe, the Executive Director of Council 1707; and Raymond Nowakowski, the Executive Director of Council 35.

Senator MOYNIHAN. I thought there were more people than usual in this room.

Mr. MCENTEE. Yes. And just as a finishing comment because you are so right about the children and the problems of the children. This is an opportunity to do something. That is why we have been so involved in this bill, not just to protect our own members, but to push and guide—and hopefully guide—a piece of legislation that would eventually be signed and that would help those kinds of children.

As you well know, the American labor movement doesn't just represent its members. It represents a much broader constituency of people like children and the homeless and the poor and retarded folks all across the United States.

We have supported an awful lot of social legislation in this country. In many cases, if not for the support and lead of the AFL-CIO and the American labor movement, it wouldn't be on the books today.

So, we look forward to working with you. You have labored in this field for many years. Hopefully we can put a bill together that can be passed with the American labor movement standing shoulder to shoulder with you.

Senator MOYNIHAN. We look forward to that, too.

Mr. MCENTEE. Thank you.

Senator MOYNIHAN. And thank you all. Next we have a panel consisting of Mr. Carl Williams, who is the Deputy Director of the GAIN Program in California that we want to hear about; Mrs Cindy Haag, who is the Director of the Office of Assistance Payments in the Utah Department of Social Services; and Ms. Reginia Lipscomb, who is the Commissioner of the Department of Human Services in the State of West Virginia.

We welcome you all. Inasmuch as Senator Rockefeller is here and probably has to be elsewhere, I am going to ask that Ms. Lipscomb testify first; and then we will open it for questions from the Senator if he wishes to do so.

We welcome you. Commissioner, good morning, and would you proceed?

STATEMENT OF REGINIA S. LIPSCOMB, COMMISSIONER, WEST VIRGINIA DEPARTMENT OF HUMAN SERVICES, CHARLESTON, WV

Ms. LIPSCOMB. Thank you very much, Mr. Chairman. We do appreciate the invitation to comment on the bills before the committee. I would like to share with you some of West Virginia's experiences with the Community Work Experience Program. I believe this information will be helpful during your discussions on welfare reform legislation and will provide a different perspective on the value of workfare programs.

CWEP or workfare, the requirement that recipients of public assistance perform public service duties in exchange for benefits, is a very controversial concept. Opponents will argue, as you have heard earlier, that the program exploits welfare recipients, that the work performed is menial and does little to enhance the employability of the participants.

Another common argument is that the program results in loss of jobs because regular salaried employees are displaced or replaced by CWEP participants. We have found this not to be the case in West Virginia.

CWEP became operational in 1982 in response to a critical need to find alternative methods of providing meaningful job programs at minimum costs. Participation in CWEP programs was and continues to be limited to AFDC categories.

Throughout our 6-year history of the program, approximately 36,000 individuals have participated in CWEP. Of the 10,000 clients in our programs today entering full time employment this particular program year, about 11 percent came from CWEP participation.

Although CWEP provides highly valuable public service functions through its public and private nonprofit sponsoring agencies, this is not the primary purpose of the program. Rather, it is West Virginia's view that CWEP should be used as one method of moving an unemployed individual toward the goal of self-sufficiency.

It is our belief that a record of recent successful work activity enhances the employability of the CWEP participant and is one of the most important functions of our program. However, CWEP is not an automatic assignment for every person.

A thorough assessment of the employment potential is made along with a survey of job openings in the immediate labor market area before determining if CWEP is in fact appropriate. As Senator Rockefeller indicated earlier, one of the more gratifying aspects of the program is its general acceptance by our public assistance clients.

We expected the program to be popular with the public, our legislators, sponsoring organizations, and the media; but we did not anticipate the degree of acceptance from those required to participate.

Although there is a sanction policy, it is very rarely used; and in fact, many clients have requested placement on our CWEP programs. This participation in CWEP has allowed our clients to maintain a sense of dignity and self-esteem.

In terms of national reform, some of the proposed legislation attempts to expand CWEP by also requiring formal training. Not every public assistance client needs formal training, but will benefit from a period of work experience. The two activities are different and are intended to respond to different needs.

Also, there are time limits on CWEP that have been proposed, with a maximum of 6 months most commonly suggested. We have resisted imposing a time limit in CWEP in West Virginia. Instead, we have relied on a regular assessment of each individual's circumstances to determine the appropriate length of the assignment; and this method has proven to be very successful.

Adequate funding levels is critical, especially during the start-up phase of the reform but will result in long-term savings. Enhancement in the funding formula has been provided in this legislation and will prove to be advantageous to States like West Virginia with limited resources, yet a tremendous need and eagerness among its disadvantaged to become independent.

Finally, I do not believe that the answer to effective alternatives to our existing welfare system can be found in strictly prescribed Federal policies. Effective welfare reform must include flexibility for States to design employment and training programs that will be responsive to their unique situations.

West Virginia has traditionally taken advantage of opportunities to operate creative employment and training programs; and national welfare reform legislation should establish a framework that will permit the continued use of this creativity.

I believe that changing our existing system from one which promotes welfare dependency to one which provides strong incentives to work is a difficult task; and there is no single solution which will prove effective for every State.

The CWEP program, which operates successfully in West Virginia, differs in design from programs operated in other States and, therefore, should not be expected to produce universal results or serve as an exact model for replication. It has and does work for us because it was developed to be responsive to the particular circumstances of our State.

I trust this information that I am sharing with you today will be helpful in identifying the merits of the CWEP Program. It is clear that the program has contributed to the employability of public assistance recipients in West Virginia in four important ways.

It maintains and establishes acceptable work habits. It offers continued exposure to the labor markets. It preserves the dignity and self-esteem of our participants. It provides for the contribution of valuable public service work.

For these reasons, I urge you to include in any welfare reform legislation that you will enact the authority for States to control the design and development of employment and training programs which will be responsive to the particular needs of its citizens.

Again, thank you for this opportunity to comment on this very important issue, Mr. Chairman.

Senator MOYNIHAN. Commissioner, did you ever take a job training course in testimony?

Ms. LIPSCOMB. No, sir.

Senator MOYNIHAN. You got in your last word right as the bell went off. I mean, that is remarkable. [Laughter.]

I have never seen that happen before. Senator Rockefeller.

Senator ROCKEFELLER. Thank you, Mr. Chairman.

Commissioner, I am awfully glad that you are here. You continue a long tradition of very good people who have served us in the human services department in West Virginia.

People who are critical of this bill talk about the coercive factor, suggesting that somehow CWEP coerces people to do things that they might not otherwise choose to do. Have you ever felt that?

Ms. LIPSCOMB. No, sir, we really haven't. For one thing, CWEP I think provides an opportunity for our folks to get some very valuable training, but more importantly, we sit down with that individual to work out a client employability plan. All the positive aspects in terms of job skills are brought out, and individual circumstances are considered in terms of whether there are obstacles to that person's participating.

And, after all those things are considered, then the appropriateness of CWEP is determined. And I believe, because we have taken the extra necessary steps in the beginning of the program, we have received widespread acceptance.

Senator ROCKEFELLER. Could you just put in the record for the committee now some of the types of jobs, for example, which are performed by CWEP workers in West Virginia?

Ms. LIPSCOMB. For example, we have library assistants, teacher aides, carpenters, painters, cooks; most of the time you hear people talk about janitors and those type trades, and we do have those as well. But I have always thought of those as very good jobs as well, and our folks participate in it, and they love it.

It is a very good, valuable program to us in West Virginia.

Senator MOYNIHAN. I am sorry, Commissioner, but that lovely West Virginia lilt doesn't always get to me. What was the last category of jobs that you mentioned?

Ms. LIPSCOMB. We have carpenters, library assistants, teacher aides.

Senator MOYNIHAN. You were saying about jobs that you thought were sensible jobs? I think you said janitors.

Ms. LIPSCOMB. Janitors or trash collectors.

Senator MOYNIHAN. And what is the matter with being a janitor, as you say?

Ms. LIPSCOMB. There is nothing wrong; I think it is a very proud profession. However, for some reason, that is given as a stigma to folks who automatically participate in CWEP.

Senator MOYNIHAN. People who keep buildings clean?

Ms. LIPSCOMB. That is true.

Senator MOYNIHAN. I mean, for the children, would you want a school without one?

Ms. LIPSCOMB. I agree.

Senator ROCKEFELLER. Commissioner, isn't it true—in extending the chairman's comments—that a number of studies, including a Ford Foundation funded study, has shown that the CWEP experience in fact directly bolsters self-esteem among CWEP participants, specifically in West Virginia?

Ms. LIPSCOMB. That is very true. It is awfully hard when you are unemployed, day in and day out, to see your children go off to school, and you have no job to go to. You worry about what your children think of you in terms of your employability.

And the fact that we are able to provide that job experience for our participants, I think, is very important. It allows them also to maintain the skills that they have learned. We have had a lot of displacements from time to time over the past ten years in West Virginia, and there is a lot of retraining that must go on.

It is very hard to accept a new job profession after you have had one for quite a number of years. CWEP allows clients to get exposure to a different type of profession and ease more into that type of profession. We have found it to be very useful.

Senator ROCKEFELLER. The question of displacement has been brought up; there is some sense of nervousness that CWEP causes displacement of others. I have been in West Virginia for 24 years; I don't think I have ever received a complaint alleging displacement from mayors or commissioners or citizens about CWEP.

Displacement has not occurred at least in my experience with this program. Could you comment on what you have heard about that?

Ms. LIPSCOMB. I agree with you, Senator. We have not experienced any displacement at all. The complaints that we may get from time to time are unfounded. We do have a formal contract arrangement with our participating agencies.

Like any program, we have monitoring procedures; and we have found that not to be the case. What we are asking is that our participants be allowed to gain some marketable skills; and when a job opening does become available, that that individual have equal access to an interview as any other candidate for that particular employment.

Senator ROCKEFELLER. Would you agree that, if this bill were passed or some close facsimile to it, it would be helpful to West Virginia's capacity to do a bit more in the way of job training and increase options for what you are trying to do in your department?

Ms. LIPSCOMB. Certainly. I do believe that, especially in the funding formula that is being developed in this piece of legislation.

Senator ROCKEFELLER. Thank you, Commissioner. I am awfully glad you are here, and I thank the chair for his indulgence.

Ms. LIPSCOMB. Thank you.

[The prepared statement of Ms. Lipscomb appears in the appendix.]

Senator MOYNIHAN. Thank you, Senator, and Ms. Lipscomb. We will now hear from Mr. Carl Williams.

STATEMENT OF CARL B. WILLIAMS, DEPUTY DIRECTOR, GAIN, GREATER AVENUES FOR INDEPENDENCE, EXTERNAL AFFAIRS, CALIFORNIA STATE DEPARTMENT OF SOCIAL SERVICES, SACRAMENTO, CA

Mr. WILLIAMS. Thank you, Senator. I have already submitted to the committee my prepared statement.

Senator MOYNIHAN. That will be included in the record as if read in full.

Mr. WILLIAMS. I would like to depart from that slightly and talk briefly about one other area of concern that I have with S. 1511, and then briefly give you some comments on California's experience and view about the effort now taking place here in Congress.

Senator MOYNIHAN. For our record, would you give us a little introduction to GAIN because its reputation has made its way back east; but we don't know as much about it as we should.

Mr. WILLIAMS. Thank you. I would be delighted to.

As Senator Rockefeller probably knows, we spent some time in his State, as well as in Pennsylvania and Massachusetts, studying their programs before we put California's program together. I have listened this morning to what has been going on here in this hearing room, and it is very much deja vu for me because we went through this very same process in California.

We have worked out a lot of the problems that have come up here; and our program, as you know, is probably the largest and most comprehensive employment and training program attempted anywhere in the United States.

Our program, which will be funded now at something in excess of $400 million next fiscal year, is now serving 35,000 people and in 26 of our 58 counties. By the end of this year, the entire State will be involved in the program.

Senator MOYNIHAN. You began slowly, I gather? You just went one step at a time, but you will now cover the entire State by the end of this year?

Mr. WILLIAMS. That is correct. We realized that this was a major shift in the philosophy of welfare, and as such, it would take some time for the local planning to take place, the basic principle under which the program operates.

We have seen enough programs run, either centrally from Washington, DC or from Sacramento, that have failed miserably because they weren't responsive to local needs and conditions. So, we made sure that, when the program went into place, it would be driven by local labor market demand.

Senator MOYNIHAN. Would you tell us if that is a change in philosophy? And what was this change?

Mr. WILLIAMS. Principally, Mr. Chairman, the philosophy of welfare for the last 50-some odd years has been that we are a maintenance program. Our jobs as welfare administrators are dependent on other people's dependency, we are there to maintain people with small checks and small food stamp allotments and medical cards; and that was our principal job.

Occasionally, we would consider a small component having to do with employment.

We are trying to change this by turning it upside down.

Senator MOYNIHAN. Mr. Williams, I don't mean to keep interrupting you, but I think this is so important. And as Senator Rockefeller knows, the AFDC program was a widows 'pension. It was meant to be the bridge program until survivors 'insurance came in.

And the typical recipient in 1935 was represented to the country as a West Virginia miner's widow.

Mr. WILLIAMS. That is right.

Senator MOYNIHAN. And the issue of child support did not arise. The man had been killed in the mines. And the issue of employment did not arise because you didn't send widows into coal mines.

Mr. WILLIAMS. That is right.

Senator MOYNIHAN. And that maintenance program defined like that, to this day, is still that program, even though the people involved are not widows. There is a male somewhere, and these days married women are in the work force and happily so. That is so important. I didn't mean to interrupt you, but I believe that is so important.

Mr. WILLIAMS. You are absolutely correct. The philosophy has been that the people who are on public assistance, whom we have been maintaining in dependency for 50 years, are there without any fault of their own. And that principle, that helplessness that existed in 1935 when women were not expected to go into the labor market, has continued with the program even though our society has changed considerably since that time.

More and more women are entering the labor force. More and more women expect to work, and so on and so forth.

So, what we have to do—and it is going to take some time, is to reverse the notion that we are in a principally maintenance mode and think in terms of being in principally an employment mode, and that the maintenance of these people during this time of preparing them for employment, is a temporary kind of situation.

And that philosophy is going to take a long time to get across; and we are finding it is a little bit difficult for some of our traditional welfare administrators to accept the notion.

Quite frankly, from labor's standpoint, there is something threatening about all this.

As I was asked at a recent speaking engagement by a labor official, if your program in California works as well as you say it will work, what is going to happen to the eligibility workers and social workers and clerks and typists and so on who are currently employed in the welfare system?

What I explained to them is that we must change the incentives in the system. We must reward people for reducing dependency as opposed to rewarding them for maintaining dependency.

So, basically, our system requires a certain group of people to participate in the program, ages 6 and above children, the able-bodied moms of those children must participate; and we are urging volunteers from the other categories.

Now, in California, since we have had such a major commitment to this program, which includes everything from basic remedial education through job search, basic assessment of skills, aptitudes and interests, and actual vocational training, and indeed a workfare component which has been sanitized and detoxified to come up to the current age—we have a comprehensive program that we think is going to be a very effective way of breaking the dependency cycle.

Senator, I think you probably have a question as to how we detoxify the workfare component.

Senator MOYNIHAN. Yes, I do.

Mr. WILLIAMS. Let me respond to you. First of all, the labor unions came forward, just as they have here, and said that they did not like the idea of workfare because it had a tendency to displace Government union employees.

We listened to them. We took language that they insisted on and put it in verbatim into our legislation, which in effect said that no CWEP person or workfare person could displace a union employee in any union operation of Government, principally Government. And we were concerned about that at first because we thought, what would happen if we tried to get reasonably good workfare assignments for people; and we don't have the Government to depend on?

What we found out, interestingly from our San Diego research, was that most of the workfare assignments were not in Government, but were within the private nonprofit sector where there was not the problem of unions and where the very basis of their existence was volunteers and where they could very constructively use large numbers of people who were getting work skills, resumes, references, and the like.

So, in addition to that, we found out that contrary to common opinion that people on workfare disliked it, felt it was coercive and

so on—our research from MDRC clearly demonstrates that people were delighted to be involved in it because they felt an obligation to pay something back. They didn't want to get something for nothing.

The biggest problem we had was dealing with the people who were in our control groups who insisted on being part of the workfare component, but who we had to keep them out because they were actually part of the control sample.

We have changed the nature of workfare in California. It is a one-year assignment, and one of the other major differences in it is that it is at the end of our program, it is designed so that the assignment that the individual gets is related directly to the vocational training that they completed during the course of the program.

So, Senator, that is basically the way our program operates in California; and I think we have dealt with many of these problems in a successful way. In fact, labor unions in California withdrew their complaints about the program once we had inserted that language.

There is one item that I have in writing, and I would like to submit it if I may; and it has to do with section 402 of your bill, S. 1511. The way it appears to me—and I must admit that I am not an attorney so I may not understand it correctly and would like to be corrected if I am wrong—it would appear to me that the way that is written that the Secretary—whoever that may be in the future—has the authority to define the unemployed parent program.

Since section 402 mandates that the program be in every State in the country, if the Secretary defines it in either of two ways apparently—either by designating the number of hours above 100 which will constitute unemployment, or by income, because it appears he could define it other than in terms of other than hours—what it would appear to me to do is to start providing benefits to intact families who are employed, yet who have a certain income that is below a level set by the Secretary.

In addition, when the Secretary sets the number of hours—were they to elect hours versus income—a State could raise that number for purposes of the definition in that State. In a strange sort of a way, other States would have to contribute unwillingly to the costs of that more generous State program.

So, I don't know if that was intended, Senator; but it would appear that it has opened the door to an unintended kind of a result.

Senator MOYNIHAN. All right. We will get to that. We will hear Ms. Haag, and then we will come right back to your question, directly.

Mr. WILLIAMS. Senator, could I make just a few more comments, and then I will be quiet, I promise.

Senator MOYNIHAN. Oh, no. You have come all the way from California.

Mr. WILLIAMS. California has taken some bold steps, and we are, with a lot of other States, out there using the authority of 1981's OBRA to try various experiments in employment training for our welfare population. We in California very proud of what we have

done. Governor Deukmejian and the legislature collectively have put together I think what very many people think could have been a model for the country.

We have funded it, but recently our governor has had to reconsider the financial commitment to it even though he will spend twice as much during 1988/1989. He has had to reduce our request by about $100 million. Now, the reason for that is very plain and simple. We are spending out of general funds 80 percent of the cost for this program and only 20 percent is coming from the Federal Government.

However, on the benefit side of the program—that is, the savings that would result—the Federal Government would get 50 percent of the savings and the State would get the other 50 percent.

So, we had gotten out ahead. We had done this, we believe, as we were encouraged to do by the OBRA of 1981; and we are wondering why here in the Congress the two most prominent bills appear to be, in addition to trying to deal with employment, may be increasing dependency by various means, when we are trying so desperately in California to get people employed and off of public assistance.

So, we hope that we are not at a juncture here where, intentionally or unintentionally, the bills that are going to emerge, from either House or from a conference or whatever, are going to be employment cloaked; but underneath they are really business as usual of raising grants and increasing eligibility and that sort of thing.

We hope that that won't happen, and I would like to be on record as saying that it would do great damage to the efforts and commitment that we already have established in California. Thank you very much.

Senator MOYNIHAN. And could I just read from your testimony? I believe you say that S. 1511, which is the bill the majority of the members of the committee have supported, is very similar to California's GAIN program; and "in our view, has wisely used State experience to great advantage."

Mr. WILLIAMS. That is correct, Senator. It is not perfect, as you know. In our view, we would like to see some considerable changes made, and we have listed them in our testimony. But we are much more happy, if you would, with your proposal than we are with the House proposal.

Senator MOYNIHAN. Thank you, sir. We will go back to general questions. Now, Ms. Haag, we welcome you.

[The prepared written statement of Mr. Williams appears in the appendix.]

STATEMENT OF CINDY C. HAAG, DIRECTOR, OFFICE OF ASSISTANCE PAYMENTS, UTAH STATE DEPARTMENT OF SOCIAL SERVICES, SALT LAKE CITY, UT

Ms. HAAG. Thank you, Mr. Chairman. I have written testimony that I have submitted for the record. In that, I reference two documents that are evaluations of the program I am going to speak to; and I was also hand delivered a copy of an introductory statement from Senator Orrin Hatch from the great State of Utah.

Senator MOYNIHAN. Oh, good. We will have that inserted in the record. Orrin has the most marvelous ways of getting people to work with him.

[The prepared statement of Senator Hatch appears in the appendix.]

Ms. HAAG. I really appreciate the opportunity to talk a little bit about Utah's program. S. 1511 does mandate AFDC unemployed parent program in all the States, and I think Utah learned the hard way—we are a real family oriented State—what it is like when you don't serve two parent households.

We actually had the program in place for 20 years, from 1961 to 1981; and cost wasn't the only reason for termination, when that optional program came up on the chopping block, when the program came up before the legislature. The program didn't really seem to be working. It wasn't moving people into jobs.

The average length of stay was fairly long, and it did not have a good public image. Without that program in place, we heard from the advocate groups that families were breaking up. The mothers and the children were coming back on full AFDC because we didn't have a two-parent program.

We did a study, and we found that to be true, to the tune of like twice as large a percentage as when we had the AFDC unemployed parent program. We were breaking up the families and the mother and children were coming on AFDC.

Senator MOYNIHAN. You did an actual study?

Ms. HAAG. Yes.

Senator MOYNIHAN. We have heard testimony that that was the feeling; but if you have that study, we would like to get it.

Ms. HAAG. That is part of the record. That really bothered the State, as family-oriented as we were. We also had some real stories about parents selling blood. They were living under overpasses with children. We had to do something.

We did not want to pick back up the AFDC unemployed parent program. So, we developed a State program. We sat down with legislators, with private sector, with the advocacy groups, with social services. What we were after was a temporary work-oriented program, and we called it the Emergency Work Program.

We ran that program for about a year and a half, with all State funds, and what we finally realized was that we had a real good alternative to the AFDC unemployment parent program.

We applied for a demonstration through the 1115 waiver process, and we are in our fourth year of this demonstration project. It is a lot like AFDC unemployed parent in the requirements, except the performance requirements are very different.

We require the adult to be in community work or adult education or skill training 32 hours a week, and eight hours of actual active job search. We pay after performance. They perform two weeks; then they receive a payment.

We also ask the spouse to participate, and we have a lot of two parent households working now; so that is one thing that we have really tried to emphasize in the last couple of years.

The social service office does the eligibility. The Jobs Training Partnership Act, JTPA, manpower agency is the one who works with that client, puts them on the project, works with them on

skill education; and this is a time-limited, six-month out of 12-month program.

We think we are getting really good results. At least, the evaluations show we are, with good placement rates. The average length of stay is 10 weeks, not 10 months like it was on AFDC unemployed parent. It is costing us eight percent of what the program would have been had we kept the AFDC unemployed parent program.

We think the reason that it works so well is—as Mr. Williams has said—we kind of turned the program around. Instead of eligibility being the primary focus, it is work orientation and then the assistance is a component of that, but the focus is to place them in unsubsidized employment.

What we are asking for today is some flexibility for States to develop programs like this because this was developed for Utah, and it works in Utah. It might not work in every State. Indiana is going to try it. GAIN probably wouldn't work in Utah, but we do need some flexibility for this kind of program that is more cost effective, is efficient and serves our population very well.

Thank you.

Senator MOYNIHAN. Thank you, Ms. Haag.

[The prepared statement of Ms. Haag appears in the appendix.]

Senator MOYNIHAN. May I just say to Senator Packwood that Ms. Haag was referring to the comments by Mr. Williams, and what they are trying to do in California in GAIN is to break out of the maintenance mode of what we call welfare, which is Title IV of the Social Security Act, which began as a widow's pension. The typical recipient was represented as a West Virginia miner's widow.

The issue of child support did not arise; the poor man had died in the mine. And the issue of employment didn't arise because women didn't work in coal mines.

Having defined the program as such, 50 years later, would you all agree that there has just been a tendency to continue as the program began?

Mr. WILLIAMS. Yes.

Ms. HAAG. Yes.

Senator MOYNIHAN. Commissioner?

Ms. LIPSCOMB. Yes, sir.

Senator MOYNIHAN. It is called definition. I mean, that is what systems do. You define it as a system. You know, the only issue is whether it is adequate so that the widow can raise the children. These are not widows, and women are in the work force.

Senator Rockefeller was going to have to leave, so we let Ms. Lipscomb testify and she described the CWEP Program in West Virginia. Why don't you tell Senator Packwood what you told us?

Ms. LIPSCOMB. Basically, Senator, we are very supportive of CWEP. We believe that it has worked very successfully in West Virginia because we developed the program to meet the specific needs of our clients.

It was developed especially at a time when West Virginia needed alternative methods for moving our underemployed and undertrained participants into a work experience component; and it has proved very successful. I think the two primary reasons for the success have been, number one, our strong work ethic in West Virgin-

ia in general, where people do prefer to work rather than not to work, as well as our employability plan where we actually work with each individual client to determine what their specific job skills need were, as well as their individual circumstances in terms of support services, child care, and what have you.

We developed a plan to address those needs and then moved them into a work experience component. We are very proud of it.

Senator PACKWOOD. Let me say to Mrs. Haag that I am intrigued. Pat, you and I have been involved in this two-parent issue for six to eight years. I don't recall that we have ever had a study.

Senator MOYNIHAN. No.

Senator PACKWOOD. We have had lots of opinions, but I don't recall that we have ever had a study before. I am intrigued to see what you have. If indeed it concludes what you have said, that is very important evidence for this committee. I have no questions, Mr. Chairman.

Senator MOYNIHAN. I believe that nearly all States that suspended AFDC-UP have found that the rates at which these two-parent families have reappeared as single-parent welfare families went up significantly. They had what you might call a natural experiment. As I understand it, you terminated AFDC—you did—in 1981, and so they had a record of what happened to the families in the last six months and then the next six months. And they found a very significant number—that was surprising and important statistically. You would agree?

Ms. HAAG. Yes.

Senator MOYNIHAN. I must say that we thank you for your testimony. We have questions that you have raised, Mr. Williams, which we have to answer. You have asked about provisions for the States in this regard; we have to answer you.

We appreciate your coming, and we have heard you. We congratulate you on what you are doing. Hang in there, and thank you very much.

Ms. LIPSCOMB. Thank you.

Ms. PRESCOD. Senator Moynihan?

Senator MOYNIHAN. Yes?

Ms. PRESCOD. Senator Moynihan, I would like to, if possible, register a protest on behalf of women all across the country. We feel that this is legislation that will affect women, for the most part, and that women who are housewives, women who are on welfare; and women have not had adequate time to testify.

Senator MOYNIHAN. If you would like to testify, we will be happy to hear you at the end of the next panel.

Ms. PRESCOD. Thank you.

Senator MOYNIHAN. Now, the next panel is comprised of Dr. Robert Williams, President of the Policy Studies, Inc. of Denver, Colorado; and Mr. Robert Greenstein, Executive Director of the Center on Budget and Policy Priorities, Washington, D.C.

And we have Mr. David Levy who is President of the National Council for Children's Rights.

Mr. LEVY. I believe I am supposed to appear by myself and not with that panel, Senator.

Senator MOYNIHAN. Oh, are you Mr. Levy?

Mr. LEVY. Yes, sir.

Senator MOYNIHAN. Oh, I see that. Dr. Williams, welcome, sir. I don't believe you have appeared before us before. Is this your first occasion?

Dr. WILLIAMS. I appeared about ten years ago to testify about monthly reporting, but this is my first time in recent years.

Senator MOYNIHAN. Welcome back.

STATEMENT OF DR. ROBERT G. WILLIAMS, PH.D., PRESIDENT, POLICY STUDIES, INC., DENVER, CO

Dr. WILLIAMS. Thank you very much.

Senator MOYNIHAN. I know that the morning has gone for some length, but there is plenty of time.

Dr. WILLIAMS. Thank you very much. I appreciate your attentiveness and your patience, and I thank you for the opportunity to appear here today.

I am Robert Williams, and I am President of Policy Studies, Inc. There is a slight misprint in the program here.

Senator MOYNIHAN. Oh, yes. We will correct the record as policy studies, which sometimes involve political matters.

Dr. WILLIAMS. Thank you. I am here to testify concerning child support issues, which may be addressed by the welfare reform legislation; and my testimony is based on the research performed in child support by my organization, as well as technical assistance provided to more than 30 States, primarily in the area of child support guidelines.

I want to start by pointing out that the child support program in this country has three essential components. One is establishing obligations for support. The second is setting obligations at adequate and equitable levels; and the third is enforcing then these obligations.

I would like to keep that in mind because the child support amendments passed in 1984 are greatly improving child support enforcement in this country. There is no doubt about that, and they are achieving this impact primarily by strengthening the enforcement component of child support.

Senator MOYNIHAN. That is the third of your triad?

Dr. WILLIAMS. Yes, that is correct. And I think it is clear there remain serious deficiencies in the first component, that is to say, getting obligations established. This primarily relates to an issue of paternity determination. I think there are also significant issues in terms of setting adequate and equitable levels of child support; and this relates primarily to child support guidelines and modification of child support orders.

There also in my view remains unfinished business in a third area, and this crosses those components, which is ineffective establishment and enforcement of child support obligations across State lines. In my view, these areas need to be addressed by new Federal legislation, and that is what I would like to talk about.

Looking first at paternity establishment, the Census Bureau found that in 1985 only 18 percent of all never married custodial parents have child support orders, and only 11 percent received any child support—11 percent.

So, closing this large gap in child support obligations for paternity cases is especially critical for reducing AFDC dependency and improving——

Senator MOYNIHAN. I am just going to feel free to interrupt you.

Dr. WILLIAMS. Please do.

Senator MOYNIHAN. You are saying such important things. Is that Census data for 1985?

Dr. WILLIAMS. That is correct.

Senator MOYNIHAN. Let's see. Of the AFDC caseload, what percentage of the adults would be never married custodial families?

Dr. WILLIAMS. It is 46 percent now, based on the materials prepared by the committee staff; and during the 1980s for the first time, the proportion of children on AFDC because of paternity, now exceeds the proportion of children on AFDC because of divorce and separation. So, it is really a phenomenon of the 1980s that these have become the predominant status of children on AFDC.

Senator MOYNIHAN. Do you want to say that once again so the record is clear? What has happened in the 1980s?

Dr. WILLIAMS. In the 1980s, the proportion of children on AFDC because of lack of a marital tie has, for the first time, become the predominant group of children on AFDC as an eligibility group.

Senator MOYNIHAN. Right. That has happened, and these are children of custodial parents, some 18 percent of whom have some child support order, and only 11 percent receive anything?

Dr. WILLIAMS. That is correct. So, we recommend that Federal legislation include the following changes. One is simply a requirement that States pursue all AFDC cases needing paternity establishment and the States publicize availability of paternity determination services for non-AFDC cases.

Second, is a requirement that States pass presumptive blood testing statutes for paternity establishment. I think that is in the legislation, at least in the House version.

And third, is a requirement that DHHS adopt regulatory standards for State performance in paternity establishment; and this is somewhat at varience from the House legislation.

And fourth, is a requirement that DHHS establish time standards for paternity determination.

Now, I would like to turn to the second component of child support, which is inadequate levels of orders because this is the area in which I have most experience. And here, recent research has shown that child support awards are seriously deficient when measured against any reasonable economic standards of the cost of child rearing.

Average awards in effect for 1985 based on Census data——

Senator MOYNIHAN. That is the 1985 report, Child Support and Alimony?

Dr. WILLIAMS. That is correct, but we took those numbers a step further; and we related the average levels of child support—court-ordered child support—to the poverty standard. And we found that average levels of child support across the board for all children represented only 80 percent of the poverty level of support for those children—not the custodial parent, just the children.

Senator MOYNIHAN. Where is that in your testimony?

Dr. WILLIAMS. That is on the top of page 2 in the summary and again in the body of the testimony.

Senator MOYNIHAN. All right. So, the courts are ordering the children to be poor.

Dr. WILLIAMS. Yes. Let me just make a subtle distinction here. These are orders in effect in 1985; so, a lot of these are old orders that have been in effect for a long time. But the orders that are actually in effect to be paid on in 1985 are very low.

And if I could throw in one more comparative statistic, they represent only 25 percent of our best available economic estimates of actual expenditures on children in middle income households.

Senator MOYNIHAN. Oh, that is a nice raise. The courts are ordering child support payments that would reflect about a quarter of middle-class outlays per child?

Dr. WILLIAMS. That is correct. So, as I said, there are really two components to this problem; and one is inadequate initial orders, and this needs to be addressed by presumptive guidelines.

This is, of course, the centerpiece of the child support provisions in the proposed legislation.

What I wanted to primarily say here is that I am here to testify that presumptive guidelines work. The National Center for State Courts is just completing a survey that shows that about half the States that have adopted guidelines have presumptive guidelines in place; and it is quite clear that presumptive guidelines do improve the adequacy of child support orders.

Senator MOYNIHAN. Tell us what a presumptive guideline is, Dr. Williams.

Dr. WILLIAMS. This is a numeric formula for setting child support based primarily on the income of a parent or both parents preferably and other factors, such as child care expenses, the number of children, and the medical expenses of the children.

Senator MOYNIHAN. It is a schedule?

Dr. WILLIAMS. A schedule; that is correct.

Senator MOYNIHAN. A table you go down and across.

Dr. WILLIAMS. That is correct, and presumptive means that the judge or the hearing officer applies that schedule to a case unless there is a finding on the record that its application would be inequitable to one of the parties or to the child involved.

Senator MOYNIHAN. This is news to me; a lot of things are news to me, that is, that half the States have them. Have you done a study of that specifically?

Dr. WILLIAMS. There is one that is going to be published, I think, in the next few weeks; but I have a list of those States and I could provide them.

Senator MOYNIHAN. I would appreciate that; and could you do it before you leave town?

Dr. WILLIAMS. Certainly.

[The prepared information appears in the appendix.]

Senator MOYNIHAN. Is New York one?

Dr. WILLIAMS. No, New York is not one.

Senator MOYNIHAN. And in New York City—which has an equivalent population of welfare recipients as five other States have in population alone—we don't even take Social Security Numbers of

the male parent, make no effort of any kind. I mean, it is as if it were that West Virginia miner's widow.

Dr. WILLIAMS. There is a bill pending in the New York legislature that would accomplish this, but New York is not leading the charge in this area, I am afraid to say.

Let me just also say, and this is very important, that presumptive guidelines also improve the equity of child support awards because they do yield consistent results for people working side by side in the same job, for example; and they also improve the efficiency of the adjudicatory process, primarily by increasing the number of cases that are settled before they ever come to contested hearing.

Now, there are a couple points that we think are important with respect to presumptive guidelines. One is that we think the legal applicability should encompass negotiated settlements which account for the preponderance of established orders and that they should also apply to non-Title IV-D cases, not just IV-D cases.

And we also think they should be State-wide in application rather than being implemented county by county, for example.

Senator MOYNIHAN. In Wisconsin, aren't they getting it on a county-by-county basis?

Dr. WILLIAMS. Not any longer; they have gone State-wide.

Senator MOYNIHAN. I see.

Dr. WILLIAMS. Yes, as of July 1987, but they were testing them before on an experimental basis.

The second issue here has to do with the absence of systematic updating procedures for child support orders based on reapplication of guidelines; and this may be an even more important issue.

What I wanted to say here is that these are needed to raise inadequate levels of orders set prior to implementation of guidelines, to preserve the value of new orders once they are established under guidelines, and to ensure that orders remain equitable with the passage of time.

Basically, what is happening now, Senator, is that orders are being set, and then they are frozen at that point in time. They are rarely updated; and guidelines provide a means for systematically updating child support orders, but this is an area that I think should be approached with a little bit more caution.

There is a national advisory panel on child support guidelines that was mandated by the House Ways and Means Committee, and they have recommended that demonstration projects be funded to establish some workable, cost-effective modification mechanisms.

Then, it would be possible to move into a requirement that IV-D agencies, for example, update orders every two years.

The third area that I have addressed in the testimony is interstate case processing. If you want, I could go into that because there is some very new evidence that is available there that suggests that the system has simply broken down—has virtually broken down—not entirely broken down, in terms of establishing and enforcing orders across State lines.

Again, I do address this fully in my testimony and I would be happy to take any questions that you have.

[The prepared statement of Dr. Williams appears in the appendix.]

Senator MOYNIHAN. All right. Why don't we just hold a minute and then get back to that. We have our two visiting political scientists present; so we will hear you next, sir. Welcome back to this committee.

STATEMENT OF ROBERT GREENSTEIN, EXECUTIVE DIRECTOR, CENTER ON BUDGET AND POLICY PRIORITIES, WASHINGTON, DC

Mr. GREENSTEIN. Thank you, Mr. Chairman. Obviously, this area of child support enforcement is extremely important. We were just looking at some data which I think you know well, that in 1985 nearly three-quarters of single mothers with children who live below the poverty level either had no child support order or had an order but got no child support payments.

So, clearly efforts to tighten enforcement in this area are very important. But our concern should not be limited to children residing in single parent families; children residing in poor two-parent families are deserving of support as well.

As you know, in nearly half the States there is no AFDC-UP program as well. We are pleased that S. 1511 would address this matter by making the benefits available to two-parent families in all States. The support for that provision, to extend AFDC-UP to all States, is broad; and it encompasses many conservatives and liberals alike.

Governor Clinton has testified on its behalf; many States have. The House has passed its bill.

Senator MOYNIHAN. We just heard from Mrs. Haag; you know, we have data. You want a welfare family? Just draw on this program and you will get a welfare family.

Mr. GREENSTEIN. And I think of particular interest, Mr. Chairman, in a book just published last fall, Stuart Butler and Anna Kondratos of the Heritage Foundation, call for extending AFDC-UP to families in all States to all families to make sure—as an exercise in prevention—that we provide assistance to intact families in hard times, rather than restricting it to families that have already collapsed.

So, there is a broad basis of support for this.

Senator MOYNIHAN. Dr. Butler testified before us, and it was very interesting to hear from The Heritage Foundation.

Mr. GREENSTEIN. Now, Mr. Chairman, we think the AFDC-UP provision is important for another reason as well, to plug a large hole in the safety net that has widened in recent years due to the serious contraction of the unemployment insurance program.

In 1987, for the third year in a row, unemployment insurance coverage hit an all-time record low. In 1987, 31.5 percent of the officially unemployed—we are not even counting discouraged workers—31.5 percent of the unemployed received unemployment benefits in an average month.

The extended unemployment benefit program, which is supposed to provide an extra 13 weeks in hard-hit States, is basically gone for all intents and purposes. No State in the country has it, not even Louisiana, with an unemployment rate of over 10 percent last March. The extended benefit program ended in Louisiana at a time

that the unemployment rate was 14 percent. There are studies done by the Urban Institute and the——

Senator MOYNIHAN. You are telling me that of the present unemployed persons, only one-third are receiving unemployment benefits?

Mr. GREENSTEIN. Yes, sir.

Senator MOYNIHAN. That is a——

Mr. GREENSTEIN. The is the lowest percent of the unemployed getting benefits recorded at any time in the program's history.

Senator MOYNIHAN. I just heard that. I was once an Assistant Secretary of Labor, and we always knew there was a problem with the upper third. We never got that last third; two-thirds was our routine.

Mr. GREENSTEIN. These percentages are much lower than in the 1970s, and I think they add urgency to the importance of the AFDC-UP Program. At least, we have got to cover the very poorest two-parent families with children because——

Senator MOYNIHAN. Did you know that, Dr. Williams?

Dr. WILLIAMS. No.

Senator MOYNIHAN. You are giving us some new information, Mr. Greenstein.

Mr. GREENSTEIN. If these poor families don't receive unemployment insurance and they also don't have UP, what do we have for the children in those families? You eloquently make the comparison between the survivors' insurance and AFDC; these are children who don't even get what AFDC provides. And if they don't get unemployment insurance either, there is no cash support at all for the children in those families.

These are intact families; they are together.

We also have new evidence—and I won't go into it in detail here—from the Urban Institute and the Institute for Research on Poverty that directly links reductions in unemployment insurance in recent years to increases in poverty, especially among the long-term unemployed.

Let me add one final set of facts here.

Senator MOYNIHAN. No, no; no final set of facts. You have waited all morning. Please finish.

Mr. GREENSTEIN. Thank you.

Senator MOYNIHAN. Take your time.

Mr. GREENSTEIN. In 1986, there were 26 States in which fewer than one-third of the unemployed got benefits. Of those 26 States, 17 have no UP program; 24 have no General Assistance program that covers the children in those families. In most of those States, there is nothing there when unemployment insurance is exhausted.

I would add that one of the earlier witnesses, Carl Williams, raised a question about the provision in your bill on the hundred hour rule. I think it is a very solid provision; I am glad you have it in the bill.

I would encourage you to keep it. Here is another discrimination we have. Even in States that have UP, in a single parent family with children the mother can work more than 100 hours, and if the income is low enough, they can get benefits.

But if there is a two-parent family and the principle earner works more than 100 hours, they are automatically ineligible, even

if they are just as poor as the single-parent family. Now, all your bill does is give States the option of waiving that hundred hour rule if they so choose so that we don't retain that form of discrimination against intact families. It is a wise provision, and I would very much urge retaining it.

I would also be very concerned that, while there may be a number of innovative things to do on the employment front for the fathers, I would be concerned about this potential idea of limiting the UP to 6 months. Again, we do not limit the benefits to 6 months for single-parent families.

Children are children. If they are poor, they are poor, whether there is one parent or two parents in the family.

A second area I would like to cover is the work-to-welfare area. In your statement, you note that the majority of people who ever go on welfare are on short term, while the minority are long term. The latter are half the caseload, half the costs; and the MDRC studies have found greater cost effectiveness when adequate resources are provided for the long-term cases.

Senator MOYNIHAN. The kind of interesting thing about the MDRC, as I am sure Dr. Williams knows, is that they find that training efforts make very little difference or no difference to the people who are on welfare for just a brief period of time. You know, their marriage broke up; and they have got to get their lives put back together again.

There is no great deficit in their personal formation; but on the other hand, the good news is that if you work with people who need it most, you get results.

I think that is a very powerful finding.

Mr. GREENSTEIN. I think it is. Of particular concern here is that a 1987 GAO report which surveyed States found that a majority of States were providing insufficient resources to the long-term cases. The GAO said States appear to have chosen to cover larger numbers of recipients by spreading resources thinly over many people; and in many cases not having the resources needed to break down those employment barriers among the longer term cases.

In some cases, the GAO found States screening out the longer term people because including them meant it cost more per person. If you spend more per person on some people, the total—as GAO noted—number of people you serve is diminished. You have a fixed amount of money; you have a choice. You can serve large numbers of people and spend a very little per person, including lots of those short-term cases you mentioned, and having very little to really deal with literacy or other kinds of problems in the long-term cases. Or you can serve a somewhat smaller number and have more resources per person in the long run.

Senator MOYNIHAN. This was reproduced—and I guess it was an MDRC study—in Cook County. There was a big report that came out that said that work training, job training, any training doesn't produce any results.

When we looked at it to see what had happened, they took the entire universe they had available and spent $130 per person, and it didn't change their lives much. Well, I could have told you that, you know.

Mr. GREENSTEIN. Following up on this, my particular concern is the provision the administration has recommended which is in S. 1655; that provision unfortunately doesn't take this evidence into account and would impose these high participation standards or quotas on States. It seems to me that the evidence is very clear that this would go in precisely the wrong direction.

It would require States to do exactly what we——

Senator MOYNIHAN. It would go against the present state of information, wouldn't it?

Mr. GREENSTEIN. It would. It would say here is what we did in Cook County; it failed. Let's do it nationwide and require every State to do it. It really just doesn't make sense.

As you know, Dr. Guerson, the President of MDRC, testified before the committee in the fall that setting high participation standards may lock States into providing uniform, very low cost services that do not benefit recipients, particularly the most high-risk group such as young mothers.

The GAO, in its report, has also warned about the dangers of setting these high participation standards. And if you take a State like California—that we heard about earlier today—or Massachusetts that appear to be having some interesting kinds of success and that are focusing on things like remedial education, child care, and things of that sort that cost more per person, those States would probably have to curtail their current kinds of programs if those participation standards came into effect because they would need all the resources they could get just to serve these very large numbers of persons and to meet the participation quotas.

In short, despite what I am sure are good intentions, these participation proposals would be likely to weaken, not strengthen, what ought to be our most important goal: reducing long-term welfare dependency. I would join the GAO and MDRC in warning against them.

I think not only would it not be a positive step; it would mean that we went backwards from where we already are in a number of States today.

Senator MOYNIHAN. I am going to make the suggestion that persons of good will should just sit down and look at the evidence; it comes through.

Mr. GREENSTEIN. And you know it is even more true because most of the bills—yours and others—enlarge the work registrant pool by lowering that age of children that exempt mothers from work registration from the sixth birthday to the third birthday. If you simultaneously enlarge the pool and establish these high standards, no one is going to have the resources.

The final area I would like to cover is this difficult area of waiver authority in State experimentation. On the one hand, clearly we learn important things from State experiments. On the other hand, as you noted in your recent statement on the floor, national standards for poor children are very important. We have them for the elderly; we generally don't have them for poor children.

We have learned a lot in recent years from child support and welfare employment demonstrations. Interestingly, those have all been done under the existing labor authorities, such as under Section 1115 of the Social Security Act or under the WIN demonstra-

tion authority or the other authorities of the work programs in the 1981 act.

More is needed—Congress in the 1987 reconciliation bill approved the Washington State plan and the New York State child support plan. The White House has set up a Low Income Opportunity Board that is speeding the process through the Executive Branch when States get waivers.

Several of the proposals before the committee would greatly expand the waiver authority given to the Executive Branch, and I do have concerns about those, particularly the Administration's proposals that are in S. 1655.

The Administration's proposals would give sweeping new authority to the Executive Branch to waive virtually any Federal standard or requirement. In more than 20 programs designed by Congress for poor children and families, the disabled, the homeless, and the unemployed, the White House effectively would be empowered to grant State requests to eliminate, consolidate, or fundamentally alter these programs. Programs as diverse as WIC, Head Start, Food Stamps, Medicaid, compensatory education could all be folded into a block grant.

It places no limits on the number of waivers the Executive Branch could approve. Literally hundreds could be granted, and I think Mr. Hobbs—in one interview I saw in the papers—indicated that indeed that was the goal, to have as many as several hundred.

If unlimited waivers were granted, realistically there is no way the Federal Government could fund or monitor independent evaluations of that large a number. That raises a very serious question in my mind, at least, as to whether the underlying purpose in that proposal is really to test and evaluate new proposals to find out how we can do things better, or whether the real goal is to create so much diversity that the national standards that we now have for poor children begin to erode, which was after all the philosophical underpinnings of the new federalism proposals in 1982.

I also get concerned when I look at the funding mechanisms in the proposal. The supposed rationale is State flexibility; but when you look at the Administration's proposal that is also in S. 1655, there is a litmus test there. Although many of the programs that could be covered are means tested entitlements—AFDC, food stamps, SSI, Medicaid—only waivers that use a block grant or a fixed grant type funding mechanism could be used.

Any State wanting to test an alteration in AFDC or Medicaid or whatever couldn't do it on an entitlement basis. It could only do it on a fixed grant basis; and as you know, if the economy went bad in the State and need was higher than predicted at the beginning of the year, there would be no assurance that the Federal funds would be there to meet the additional need.

So, given the mechanisms already in place in Section 1115 and the WIN demos, we are not really persuaded that granting this kind of sweeping waiver authority to the Executive Branch is wise or is needed.

If we need more waiver authority, it would be preferable to take Section 1115 and the other provisions of the law and say just how we need to refine them to foster that balance between State experimentation and maintaining basic benefits for poor children.

If the committee decides, however, for substantive or political reasons that it is going to go ahead with more expansive waiver authority, then we think it would be essential to maintain and not to weaken in the markup some of the provisions in S. 1511.

There needs to be a limit on the number of demonstrations authorized so that they can be carefully evaluated and so that waiver authority is not simply a blank check for blanket authority of the White House to overturn in States across the country battles the Administration lost in this committee and on Capitol Hill.

S. 1511 limits to ten the number of demonstrations that can be conducted at any one time.

Second, great caution needs to be taken if we are going to have a multiprogram waiver authority. If the committee wants to go that route, extreme caution needs to be taken as to which programs should be included.

S. 1511, unlike S. 1655, does not include things like Head Start or WIN.

Senator MOYNIHAN. And we are not going to.

Mr. GREENSTEIN. It also doesn't include food stamps. As you know, this is the only national standard for poor children in the United States that we have.

On the other hand, the waiver provisions of S. 1511—and I have concerns here—do cover programs like foster care and adoption assistance and child welfare services. In some States a waiver could undo protections for large numbers of abused, neglected children in the foster care system that Congress and this committee put into landmark legislation in 1980.

So, if the committee moves ahead with the waiver authority, we would urge seriously considering removing those programs from the waiver provisions.

Finally, on the entitlement issue, we see no justification for removing entitlement status for those benefits for poor families and children where they now are.

Now, as you know, I used to run the food stamp program. I can tell you we have many experiments and demonstrations in food stamps, including multiprogram demonstrations covering SSI, AFDC, Medicaid, and food stamps, in all of which the entitlement funding structure has been maintained. It can be done, and there is no reason to simply dispense with it under a waiver.

Similarly, as I believe you have said, waivers should not be a back door way to make poor children poorer. Waivers should not be a mechanism by which benefits under current law can be reduced, eligibility for those children the Congress has already found to be truly needed should be terminated, or basic safeguards should be removed.

So, it will be very important to have those kinds of protections in.

I would just conclude on this score by noting that you have a major role in this. It was President Richard Nixon—it wasn't a liberal Democratic President—it was President Nixon who, upon receiving evidence of hunger among poor children and others in this country—and seeing some States setting food stamp limits as low as half the poverty line—instituted the national food stamp standards we have.

Senator MOYNIHAN. This committee had a conference in 1969?

Mr. GREENSTEIN. It was this committee that played a major role in saying, in the last few years, look, the States have left poor pregnant women and young children uncovered in Medicaid; and you put some new national standards in Medicaid.

In your speech on the Senate floor, you mentioned that, if the politics of it allowed, you wish we could have a national standard for poor children in AFDC, or whatever the new name for the program would be.

If we can't get that national standard politically, at least now what we need to do is avoid going in the other direction. We can't afford to have, I think, a kind of waiver authority that is a new federalism in disguise and allows those basic standards that we now have at least for children—so much less than what we now have for the elderly—to begin to be eroded under the guise of waiver authority.

Thank you.

Senator MOYNIHAN. Thank you, sir.

[The prepared statement of Mr. Greenstein appears in the appendix.]

Senator MOYNIHAN. Let me respond in the sequence that you mentioned. Dr. Williams, the committee bill has a demonstration providing for models on how to update awards. If you could get a chance to look at our legislation, we would like to hear your thoughts on this because you obviously came with wonderfully dense and good testimony.

I guess the point here, if I can make a social science point, and I would ask either of you this: In an earlier era when family breakup was mainly voluntary and relatively unusual and something courts could take note of, the system worked or it didn't work. It didn't involve that many people.

But when you get a situation where 60 percent of your children are going to live in a single-parent family, which in one form or another the need for child support arises, the time has come for routinization, for making child support systematic.

It is not an unusual event; it is a normal event. So, the normal event dictates that you have norms. Isn't it something like that that has happened here?

Dr. WILLIAMS. Yes. I think that is exactly right. Basically, there has been a schizophrenic attitude toward this whole issue by the courts because, in any child support action in any State, the court in that State has continuing jurisdiction to update and to modify and at any time to review the award or reconsider the award, until the children reach the age of majority.

Yet, because child support cases and other domestic cases have become such a large and increasing portion of the civil caseload in courts, and because as you know Title IV-D agencies also have limited resources, there has been an aversion to really allowing people to have routine and regular access to the courts for purposes of getting awards updated.

So, it is really a matter of dealing with that aversion to come up with some cost-effective and efficient mechanisms to do that.

Senator MOYNIHAN. Right. Didn't I read of a study in Colorado of child support payments in which it emerged that men were paying

more on their automobiles than they were for their absent children?

Dr. WILLIAMS. That is correct, and that is a study from the late 1970s. I think that there is no question but that there has been a mentality that has really kept awards too low, and that has been dramatically changing in the last few years under the impact of guidelines, as States are adopting guidelines, and where they presumptive that is not happening.

In Colorado, we do have presumptive guidelines. We have had them for well over a year, and I can guarantee you that that is not happening any more.

Senator MOYNIHAN. We want guidelines, and this bill is going to say that. Half the States have them and half the others don't; obviously, this is where we should be looking.

I want to say to Mr. Greenstein that it really looks like a poor idea to include foster care and adoption aid. I can see your point, and we will have to talk about that in the committee; but if you want to give us a note on that, I would appreciate it.

It is so obviously the case that what we are lacking are national standards here for these children. I have said this a couple times this morning, and I started out by saying this. We have national standards for children under Survivors Insurance (SI) and we don't have national standards for these others. What is the difference between these two populations?

One is minority, and the other is not. Also, welfare is a stigmatized program. You know, there is no way out of it. It was stigmatized, and it lagged behind.

Do you both agree relative to the numbers we put in last week that we have actually decreased the money payment to children on AFDC in the last 20 years? And now we have a situation where the money payment to a child on AFDC is about a third. I mean, what does a 2-year-old child know about the differences in circumstances? In one case the daddy died; and in the other case, the daddy left. I mean, the two year old knows nothing of that; and yet, we give one 2-year-old three times as much as we give the other. That is cruel.

Mr. GREENSTEIN. You know, it is striking when we talk about the declines in AFDC benefits. People sometimes respond and say, yes, but now other things are available like food stamps. It turns out that the AFDC benefits have declined so much that AFDC and food stamp benefits combined today are worth only about as much as AFDC benefits themselves were in the early 1960s.

Senator MOYNIHAN. Yes.

Dr. WILLIAMS. I would like to comment on that because I was struck by that same comparison, and I think that one thing I would like to mention is that there is a theme that carries through, across some of this testimony, between welfare reform and child support.

That is, we have now a cohort on welfare that is basically a group of long-term dependents. If people come on that are in their twenties or thirties because of a separation and they get off in a year or two, it doesn't make quite so much difference, although it is still very tragic to have these low benefits.

But what has been going on to some extent, I think, in work programs in the past is a creaming process in terms of working with very easy-to-deal-with recipients; and we have the same pressures on the IV-D side in terms of child support to work with the obligors so you can give money out the quickest.

That has been a kind of perverse impact of our incentive program. Now, what I think we need to look at is some in-depth kind of programs as your bill would do in terms of some more intensive training for this group, in terms of employment or job preparation or educational kinds of issues.

And then, on the child support side, you have an analogous issue. You need to invest money in paternity determination because, unless you get paternity established, you cannot collect child support, by definition; but agencies have avoided this because it costs money and it is difficult to establish paternity, and I think we need to make the investment to do that.

Senator MOYNIHAN. Our bill would bring the Federal payment up to 90 percent of the costs associated with laboratory tests used to determine paternity. You made a distinction, Dr. Williams, between child support and welfare reform. We think of them as very much the same thing. We are trying to send out the right moral signal here, and the moral signal is that you can't have children and just walk away from them.

Society can't do that, and it is a statement of what we value, what we expect of people. We say it is an 18-year obligation; but I have a wonderful friend, and I am sure you would know the name of Douglas Cater—who was President Johnson's assistant in the White House for education matters—we visited him long ago and asked about the family and children. We were told: We have a new rule in the Cater household; you are out of the house and on your own at age 40, no matter what. [Laughter.]

Sometimes it goes on forever, and that is the way of the world in some places. We thank you very much, both of you. And we would like to get some more of that striking information on AFDC-UP. Your testimony is full of valuable things to us, and we really do appreciate it.

Dr. WILLIAMS. Thank you, sir.

Senator MOYNIHAN. And now, our last scheduled witness is Mr. David Levy, who is the President of the National Council for Children's Rights. Mr. Levy, we welcome you to the committee, and proceed as you wish, sir.

STATEMENT OF DAVID L. LEVY, PRESIDENT, NATIONAL COUNCIL FOR CHILDREN'S RIGHTS, WASHINGTON, DC

Mr. LEVY. Fine, thank you, Senator. Some people call our National Council a fathers' group. Does favoring the right of a child to two parents in marriage and divorce make one a fathers' group, and favoring the right of a child to one parent a mothers' group? We hope not.

We favor a child's right to two parents, but we are a child advocacy group. We are an all-volunteer nonprofit organization with a Nationally Promenent Advisory Panel. Many of our Advisors are women. We distribute educational material to judges, legislators

and members of the public across the country on the two-parent concept and other issues.

We seek to also spread the ideas of the traits of healthy families as researched by Curran, Otto, Lewis and Stinnett, in the hope that if people become more familiar with the traits that keep families together—such as commitment, affirming and supporting, respecting privacy, respecting others, getting help when help is needed—we may be able to reduce the popularity of divorce. Congressional Committee have heard from some of those researchers, e.g., Stinnett.

What if divorce occurs? Do we emphasize the two-parent family, that moral value that you just alluded to Senator Moynihan, of keeping both parents involved? Or do we seek to prop up the single parent family as the child support provisions of S. 1511 do? There is a dichotomy here.

The American economy is set up on a two-job family. When there is a split, a breakup, there is no way that child support—no matter how high it is—can provide for as much money as there was before. Where there was just one household, now there are two. There is no way it can be done.

So, what is the best way to provide for as much emotional and financial support as possible?

Women in this country are divided between those who favor the two-parent approach and those who favor one parent approach. Many of those who favor two parents are themselves step-parents, daughters, mothers, grandparents. Others are mental health professionals who have seen the mountain of research that shows that children with two parents are less at risk than those in the single-parent family.

Children who have two parents actively involved in their lives are much less likely to have problems with drugs, the law, schooling, their self-esteem——

Senator MOYNIHAN. That data, as you say, is mountainous.

Mr. LEVY. It is. Thank you, Senator. And to that end, we wonder if you would consider the two-parent family in the child support provisions of your proposed bill (S. 1511) in order to implement the insights you have about this research.

Right now, the child support provisions go exactly in the opposite way. They are designed to prop up the single parent family; and it won't work.

It won't work for the 90 percent of single-parent families headed by women; it won't work for the 10 percent headed by men. Children need two parents.

Your approach should be one of coparenting. Divorce does not end the family; it restructures the family. Coparenting should continue; that is called joint custody.

Now, I realize Congress is not going to recommend joint custody, so long as many vocal women's groups want to hold on to the single parent idea, come hell or high water, no matter what it does to the kids.

At the very least though, you should require every State to adopt Michigan's "Friend of the Court" approach. Michigan collects more child support than any other State in the country. Michigan collects $8.33 for every dollar spent to collect.

Officials there tell us it is because Michigan has staff—not just child support staff, as in all the other counties in this country—but staff to resolve visitation and custody issue disputes. Since 1919——

Senator MOYNIHAN. Oh?

Mr. LEVY. Absolutely. Don't talk to child support officials in Michigan; they don't know about the "Friend of the Court." Talk to Debbie Stabenow, Chairperson of the Mental Health Committee in the Michigan House, who is one of our advisors. Talk to Colleen Steinman, Director of the "Friend of the Court" Bureau.

Senator MOYNIHAN. Oh, I didn't recognize those references. Pardon my ignorance; is that Steinman you said?

Mr. LEVY. Colleen Steinman.

Senator MOYNIHAN. Yes, Colleen Steinman.

Mr. LEVY. She is Director of the "Friend of the Court" Bureau. She spoke at our National Council's conference in the fall of 1987. Debbie Stabenow is Chairman of the Mental Health Committee.

They also have very balanced family law legislation in Michigan. They have joint custody, mediation, makeup of visitation and other measures to send the signal of balance—two parents, not just one, for a child.

Your child support provisions send the signal: one parent. Michigan sends the signal: two parents.

If you Can't go with Michigan's "Friend of the Court" system, you should at the very least provide a lot more than $5 million for the visitation—or what we call access—counselors. Parents are not visitors in their children's lives; and "access" focuses on the child's right to two parents.

We appreciate that you provided $5 million in your bill at our National Council's request for access demonstration projects, but that won't equip even one-fifth of the counties in this country.

Senator MOYNIHAN. Given the realities, what would you hope for?

Mr. LEVY. $40 million would provide for an average of one staffer per county. This proposed staff will not have investigative powers as Michigan staff does. They would only mediate.

In Prince Georges County where they hired such staff, Senator, at our request, after one year they reported an 80 percent success rate. Whether the custodial or noncustodial parent makes the phone call, the staffer in Prince Georges County calls the other parent, works with both parents; and the two work out the access dispute.

The average settlement time is one hour and 37 minutes; at an average salary cost per case of $15. Just having someone send that signal to both parents: "we care about your involvement; we are going to help you to carry out these court orders" helps! It is a low cost program.

Senator MOYNIHAN. I have to tell you that this is the kind of service that ought to be locally based and locally financed, and certainly we want to encourage it. Certainly, you are right. We have no difference in view on this at all; I don't, anyway.

Mr. LEVY. Thank you. It is $40 million; it is low cost. It is very low cost considering the enormous savings in court battles that will result.

Senator MOYNIHAN. This is an experience that will reinforce itself. I mean, when you find it working, then you want more of it, I should think obviously.

Mr. LEVY. It is like child support rules, yes; they tend to grow bigger and bigger. But here, the aim of this is to keep both parents involved to provide the maximum parenting and financial support.

Where the parents are involved, when the parents are around, so are their wallets. The research shows that when the parents are around, they give more to the other parent as well as to the child because they are involved with the child's life.

Senator MOYNIHAN. I don't know the research, but I cannot doubt it is so. If you have some findings, let us have them.

Mr. LEVY. I will be glad to provide that.

[The information requested was not received at press time.]

Senator MOYNIHAN. Just as I was saying to Dr. Williams, when these are rare events you can have idiosyncratic arrangements; but when they become so common and when every other child will experience this, you have to have some new rules, don't you?

Mr. LEVY. Yes. There are visitation problems in up to 50 percent of custody cases nationwide. It is a rampant problem.

Senator MOYNIHAN. Right, I know. Every child meeting I hold in New York State, there is someone there to talk about it. I mean, it is just awful, and the children are in between.

Mr. LEVY. They are right in the middle. Senator, a few other points, if I may?

Senator MOYNIHAN. Please.

Mr. LEVY. We oppose the provision that requires all child support to flow through the Government. There is already a law, as you know, that if you are delinquent, you pay support through the Government.

People are sometimes surprised when we explain to them that the new provision would only apply to parents who pay. It is unnecessary and it is unprecedented. There is no other area in the Government where the Government collects money as a middleman. We don't make our car payments to the Government and have the Government pay the car dealer, except in rare cases.

We don't pay the Government our mortgage and have them pay the mortgage company. Where the parent is delinquent, that is already on the books. A study is being made as to how well that is working. We welcome such a study.

Where parents are paying, the Government cannot get the check to the child any faster than the paying parent. And there could be incredible delays if the checks are even sent to the wrong address. What happens is the employer is going to send a check to the State; the State will send a check to the custodial parent; and the State gets a fee from the Federal Government. That is very attractive to the States, but it is not going to help kids who are getting money on time from the other parent directly and to maintain that bond.

In some States, we understand that some people want this big financial pool so they can then divvy up child support money as they wish, and the money may not even go to your own child. First, they have to create the big pool to do this.

Because only responsible parents would be affected by the new proposal, the proposal would undermine parental responsibility.

It says the State is going to take care of your children even if you have a proven record of doing so in the past.

Now, I know there is a provision permitting two parents to work out an agreement for direct payments; but in the moment of separation or divorce, that is very unlikely, especially with no State incentive to encourage them to do so.

Senator MOYNIHAN. It is now getting to be 1:30, and so I am going to have to thank you, Mr. Levy, for your very useful advice. I heard your proposal on counseling, and we will take it into consideration.

Mr. LEVY. Thank you, Senator, but may I have just two minutes to touch on another point?

Senator MOYNIHAN. Sure, of course.

Mr. LEVY. Thank you, sir. It is premature to make child support guidelines presumptive or mandatory. There is still not one study of the cost of raising a child of divorce, and many States are still struggling with basic guidelines. It is premature to make them mandatory.

Mr. Williams spoke about parents paying the same who have similar jobs. Those people working side by side may have very different family situations. One may be remarried; one may have three children, the other one child.

About tax breaks, there are four tax breaks that go to being a custodial parent, none to the nonpaying parent. Again, the wrong signal is being sent.

Another point, few noncustodial parents are "absent" parents. Please change that provision in the Federal law. Most paying parents are "non custodial" parents; they are present; they are not absent.

Re: the interstate commission. Both the House and Senate call for an interstate commission on child support. There should be noncustodial parents on the commission. The House requires it; the Senate does not.

Senator MOYNIHAN. All right.

Mr. LEVY. One other point. The Census Bureau should ask fathers what they pay, not just mothers what they receive. Welfare professionals are raising the possibility that we are receiving very distorted data.

Senator MOYNIHAN. We will take that up with them.

Mr. LEVY. And also, just a final point. The bill should allow retroactive modification of child support orders in hardship cases. Congress passed a bill a few years ago saying that State court judges may never modify a past order. This was a rider attached to another bill, without a hearing.

In most cases, this provision is fine; but we know of cases where, say, a mother gets support at separation and the father moves back in a few years later. Then, there is a second separation and the mother has received support for the time when the parents lived together—double payment.

Senator MOYNIHAN. That may be a little beyond our purview.

Mr. LEVY. You passed the law totally prohibiting State judges from modifying past child support orders, and you could just

change the law to read "rebuttable presumption" against modification instead of a total ban.

Senator MOYNIHAN. Mr. Levy, we thank you very much.

Mr. LEVY. And we favor your provision on the two-parent family.

Senator MOYNIHAN. Yes, point 11 in your statement. Thank you very much for your testimony and for your very thoughtful concern about this matter.

Mr. LEVY. Thank you.

I noted your words about the good public turnout here. I look forward to the day when Senators other than you will be present for such hearings, also. I noticed that the young lady wants to speak. She says there are a number of women's groups who have not testified; there are also a number of fathers' groups who have not been allowed to testify and perhaps would like to. Perhaps another hearing where all may be heard? Thank you, Senator.

[The prepared statement of Mr. Levy appears in the appendix.]

Senator MOYNIHAN. Well, we will see about that.

Attorney General Mattox, you have been very thoughtful about staying around. Would you like to make any comments about Mr. Levy's testimony?

Mr. MATTOX. Senator, I think that the thing that is most difficult—and many of the points that Mr. Levy made are excellent ones—and I think that the courts frequently have treated men unfairly in the process, particularly in not awarding joint custody, and in better than 90 percent of the cases awarding the child—whether it be a male child or a female child—to the mother.

And I think that there are some legitimate complaints. I think that there should be more money put in if possible for demonstration projects. We in Texas are applying for a demonstration project right now to try to bring about better visitation. I think the thing that is so important though is—and I know Mr. Levy is very well meaning, particularly in saying that if somebody is actually paying the child support, there is no real reason for the State to become involved in the process.

But the fact is that there are so few people who are actually paying all the child support that they have been ordered. When you take the people where there has been no award ever entered, plus the ones where a judgment has been entered, we estimate that there is only 15 to 18 percent of the people in the entire nation that are paying all the child support that they have been ordered.

So, in other words, those 10 to 15 percent might be punished if you required all the money to go through a State agency; but in Texas, we do that. It is absolutely no problem. It runs very efficiently. It keeps track of the money.

There is an enforcement mechanism, and I can assure you of this: if you want an update of child support to take place once every two years, it will be absolutely impossible unless you mandate some system to do the accounting work; and I think that that is the most essential part of it.

This has to be done some way or another, or you are going to have judges just absolutely guessing, and you are going to have people in court spitting and fighting over whether or not you paid last week or you didn't pay last week. I have practiced in this area for 20 years, and I am telling you that, if I could give you a nickel

for every time I have been in a fight over how much child support was paid and what week it was paid and no receipts to go over and no cashier's checks and no money orders, no nothing, you will find out very quickly that it is extremely essential for that accounting mechanism to be set up.

I think it would be very helpful; and I think if you talk to experts in the field overall, they will tell you that that is essential.

Senator MOYNIHAN. We think of you as the expert here, sir. May I just make note in passing that this committee pays great heed to things that officials from the State of Texas say. [Laughter.]

Mr. MATTOX. Thank you, sir. I appreciate that.

Senator MOYNIHAN. And you have applied for a demonstration project on this?

Mr. MATTOX. Yes, we have. We are convinced that the men's rights groups have a legitimate point. I think any time you look at a proceeding and better than 90 percent of the custody awards are going to the mother, virtually regardless of the age of the child until the children get up to the ages of about 12 or 14 where they can make their own choices in some States, it is pretty evident that it is not taking place fairly.

And I am convinced by anecdotal type evidence that where there is more visitation and where there is more custody, the children receive more income, more love and affection.

In Texas we have a slogan we use. It says: Children need more than just love; they need support. They need support from both parents. It took two parents to have them, and there should be two parents to take care of them, and that is the important thing.

I think you pointed out something that is very important. There is a moral responsibility to decide, number one, whether or not you can legitimately afford to have a child and take care of that child and pay for the child. And that responsibility becomes even higher after you have had your first marriage, or you have had your first set of children; and you go and decide that you are going to establish another marriage with another set of children.

Our evidence shows that the second family and the children of the second family almost invariably live better and are supported more than the children of the first family; and I think that that is a moral wrong when that happens and that a person should have the responsibility of deciding whether or not he or she can support that second family before they have it. And that doesn't happen near as often as we would like.

Thank you very much for being so gracious with your time. I just commend you for your efforts in this area.

As you pointed out, this is a long, historical problem that we have got; and I fear that, no matter how hard we struggle, we may not be able to solve the problem.

But I am convinced that the areas that you picked out—job training and child care and child support enforcement—really truly comprise the heart of any kind of welfare reform if it is to ever take place.

Senator MOYNIHAN. Thank you again, Mr. Attorney General.

Now, a young lady asked to be heard who was not regularly scheduled, which is not our regular routine; but we have some

time. If that young lady would come forward and give her name and her organization or affiliation, we will be glad to hear her.

Ms. PRESCOD. These ladies are just going to sit with me, Senator.

Senator MOYNIHAN. Fine, fine. You are welcome.

Ms. PRESCOD. We are rather timid, but sometimes we must be bold.

Senator MOYNIHAN. All right. You are Ms. Prescod, and why don't you introduce your associates?

STATEMENT OF MARGARET PRESCOD, BLACK WOMEN FOR WAGES FOR HOUSEWORK, MEMBER ORGANIZATION OF INTERNATIONAL WAGES FOR HOUSEWORK CAMPAIGN, LOS ANGELES, CALIFORNIA, UNDER THE BANNER OF EVERY MOTHER IS A WORKING MOTHER

Ms. PRESCOD. Thank you, Senator. This is Phoebe Jones, who is a full-time housewife and mother. This is Pat Albright, who is a welfare recipient. This is Mary Hriskeu, who is a career woman, a graduate of the Wharton School.

We are with the Wages for Housework Campaign, and we are also coordinating a national coalition of womens' groups under the banner of Every Mother is a Working Mother.

Our complete written testimony will be submitted for the record in the near future. What we have today is a summary of that statement, which I will reduce, because time is of the essence; and I would like to thank you, Senator, for allowing us to speak.

We would, however, like to do something most unusual. We would like to submit for the record our badge that says "Every Mother is a Working Mother." We also have badges that are available for yourself and for the women staffers who have been so patient with us today.

Senator MOYNIHAN. I don't know if we can reproduce your badge, but we will reproduce your statement in the record.

Ms. PRESCOD. Here it is. We are a different kind of expert than you have heard from so far. We are expert in caring for people, in keeping our communities going through volunteer work. We are quite put off, as a matter of fact, when people talk about the dignity of cleaning someone else's building, of being a janitor, which my grandfather did that; and I think it is in fact very dignified.

But as women who work full time in our homes, we also think that that deserves dignity as well.

Starting on an upbeat note, I am presently living in California, but I hailed from New York City where, as a faculty member of the City University of New York, along with welfare mothers, I fought to establish the rights of welfare mothers to go to university as a way out of poverty.

And I was very pleased in reading the testimony to the subcommittee to hear from Dr. Murphy, who was my boss at Queens College, and also from Ruth Messenger. And we were very pleased to see that the struggles that we began with those welfare mothers have obviously come a long way in the city university system.

It was quite a long struggle. It was finally resolved in the courts. We would like to state for the record that we feel the Family Secu-

rity Act is a policy not only on welfare but on rates and gender. It sets the tone for how women and minorities are to be treated.

The main thrust of welfare reform as it is being discussed on a national and State level—a very important aspect of it—is the work requirement: women being required to work or participate in education and training programs in order to get their welfare check.

It is said again and again that women should be working, that we must earn our way. We don't hear as much being discussed that women are already working, that homemaking and child rearing is a full-time job, that those of us in waged jobs are doing the double shift, and that workfare would in fact be a second job for welfare mothers.

A growing movement of women has fought to establish the economic value of housework. As a result, scores of studies are being done on the value of housework by a range of researchers, from insurance companies to law firms to think tanks like the Rand Corporation, which has estimated that the value of housework in the U.S. is some $700 billion a year.

Senator MOYNIHAN. We remember so well your quote on the first page of your book under the Nixon Administration that, in fact, said: "If in this country housework and child rearing were considered productive work to be included in the national economic accounts, then welfare might not be viewed as dependency."

When we compare the $700 billion worth of housework with the $11 billion price tag of AFDC, which we know is only in direct payments because we know the total bill is far higher than that—about $80 billion—the $147 billion legislators claim is too high a price tag to pay to implement comparable worth and the pitiful lack of quality child care programs, we can see that as women we get little or nothing in return for our tremendous contribution.

I would go further in fact to say that our unwaged work helps keep this country going. We are not dependent on the State; the State is dependent on us, as a matter of fact.

The debate on welfare reform has so far centered on that assumption that women are not working—in quotes—until they enter waged employment.

According to you, Senator, "A program that was designed to pay mothers to stay at home with their children cannot succeed when we observe most mothers going out to work." You are also frequently quoted as saying "You looked up one day, and women were working."

And therefore, women on welfare should be mandated to "work." In reality, Senator, you looked up one day and women were doing the double shift—housework and a waged job—because women wanted the choice of either working inside the home or outside the home.

Most importantly, we wanted the dignity and independence that seem unfortunately only to come with the paycheck. Also, men's wages had dropped so low that many families could not survive without two incomes. Households headed by married couples account for 44 percent of the poverty increase in the United States since 1979. Eighty percent of married women in waged jobs are with men earning less than $20,000 a year.

Women are doing the double day because we have to. Many of us like our careers and our waged jobs, but we also feel that we live in a society where our work is not valued because, in order to count, we are forced to do the 24 hour a day shift.

But to protect ourselves from complete exhaustion, women have also kept the amount of time in waged jobs limited. Of the 69 percent of married women in waged jobs, only 29 percent of us work full time year-round. Studies have also shown that as men's leisure time increases, women's leisure time decreases.

As one woman put it, "Women don't retire; we just tire."

Although welfare started out under the Social Security Act as a pension for widows, historically women have used welfare as an insurance policy against complete dependence on men, to get out of violent situations.

Now, unfortunately, payments are so low that over 100,000 women and children on welfare are homeless. Unlike most Western countries where there is a system of family allowance payments to all women with children, welfare is the only money women in the United States get in our own right for the work of homemaking and child rearing.

And given the low economic status of women, many of us not on welfare have known that we were just a man away from welfare.

In concluding, that housework is a job is not new. Black women have been paid for generations for doing housework in white people's houses. When we did that work for no pay, it was called slavery.

Women used the occasion of the United Nations Decade for Women and the statistics coming out of the decade about the enormous amount of work women internationally do to press our demands to have our work, both waged and unwaged, counted and included in the gross national product.

According to the United Nations, women do two-thirds of the world's work for ten percent of the world's income and one percent of the world's assets, a figure that also reflects the reality of life of women living in the United States.

The Wages for Housework Campaign, with the support of thousands of women, successfully organized and lobbied for the passage of a United Nations resolution in the forward looking strategies for women. That calls for all women's work, wage and unwaged, in the home and on the land, to be counted in the gross national product.

The United States twice agreed to this United Nations resolution and, in debate in the General Assembly of the United Nations in November 1985, that paragraph was singled out in a statement by the United States Mission to the United Nations as one that was important to women.

We have several concerns about some of the provisions in your bill. We are very pleased to see that there is a lot of discussion about two-parent families, about including them under the bill. We are very worried in relation to child support supplements, that those of us who are Black and immigrant women, who have the fathers of our children who may be in low-waged jobs, and if we then have to work off what they cannot pay in child support.

That means that we will be working longer hours than other women, who perhaps the fathers of their children earn more money. We are concerned about the racial implications of that.

We are also very concerned about the child care provisions. We don't think that $160 a month is certainly enough. We are very worried about latchkey children, the kinds of trouble that children can get into while alone.

The National Fire Prevention Association says that 20 percent of fires are caused by children left alone.

So, there are other aspects of the bill that we are concerned about that I obviously don't have the time to go into, but it will be included in the written testimony.

We will be glad to answer questions, but I would really just like to end with a quote from a document called the Global Kitchen, which was a submission to the United Nations by N.G.O., nongovernment organizational member to the U.N., called Housewives and Dialog.

"Caring for others is accomplished by a dazzling array of skills in an endless variety of circumstances, as well as cooking, shopping, cleaning, and laundering, planting and tending, and harvesting for others, women comfort and guide, nurse and teach, arrange and advise, discipline and encourage, fight for and pacify; but as long as her work is kept out of the GNP, what she does, no matter how crucial to the economy, and how exhausting it is to her, no matter how much of every day of her life is alienated from her by doing it, she is officially not working."

And we submit, Senator, that the entire are of women's unwaged work, of our contribution in that arena, to society in fact has not been thoroughly looked at in this debate on welfare reform.

And we would be glad to speak with you or your staff members further, to give you a copy of the Global Kitchen, whatever we can do because everybody remembers us on Mother's Day, and everybody knows that we are working on Mother's Day; but what about all the other days when, in fact, every mother is a working mother? Thank you.

Senator MOYNIHAN. Thank you. That is very eloquent testimony, Ms. Prescod.

As I am sure you know, the Swedes for about half a century have been including housework in their national accounts. I think the Danes were thinking of doing it.

It is a matter that has symbolic importance, and it may be an issue more for economists than for this committee; but we will be very happy to hear what you have to say. And send us that U.N. Resolution, that paragraph which I am not familiar with.

[The prepared statement of Ms. Prescod and the prepared information appear in the appendix.]

Senator MOYNIHAN. And we thank you for coming, and we appreciate your testimony.

Ms. PRESCOD. We would be happy to do that because we think the work that welfare mothers are doing is an important part of that.

And in Ocean Hill, Brownsville, which is where my career began, I saw welfare mothers at the forefront of organizing for community control of the schools, for open admissions in New York City. They

were the parents I saw during the day because they were not at the waged job, and they contributed greatly to the education of their children.

Senator MOYNIHAN. Very well now. We have had a long and productive morning and early afternoon. We want to thank you all. We particularly want to thank Attorney General Mattox for staying through the entire hearing. This is an event for us, for someone of such distinction to spend the entire day with us.

I am going to declare this hearing closed now. The record will remain open for those persons who indicated they wished to add things.

I want to thank our staffs who have been loyal right here through the hearing. We have lost some during the course of the hearing, but we have retained many also. We thank you all.

[Whereupon, at 1:45 p.m., the hearing was adjourned.]

APPENDIX

ALPHABETICAL LIST AND MATERIAL SUBMITTED

PREPARED STATEMENT OF SENATOR LLOYD BENTSEN

This morning the full Committee on Finance is holding its fourth hearing on the subject of welfare reform.

Today we will be hearing a great deal about the problem of child support, and we will be looking for ways to improve our present system.

Just the other day the Census Bureau released new findings showing that one child in four now lives with a single parent, and most children - at least 60 percent - may expect to live with only one parent for some period of time before they reach age 18.

These facts underscore the urgency of developing an effective and equitable child support system. And they tell us that we are going to have to do a lot better job than we have in the past in establishing paternity, setting fair and just child support awards, and ensuring that children actually receive the support they are due.

Child support enforcement is good policy, not only from the standpoint of children, but from the standpoint of the public as well. The Office of Child Support Enforcement tells us that last year every dollar spent for administrative costs brought in $3.57 in collections, a good investment by anyone's accounting.

This morning we will also hear about the problem of parents without jobs, and we will be looking for new insights into how the welfare system can help prepare welfare recipients for the long term, through training and placement in productive jobs.

Over the course of the last six years there has been a great deal of progress in developing education, employment, and training services for welfare recipients. Governor Clinton in Arkansas, Governor Dukakis in Massachusetts, and Governor Deukmejian in California -- these and other Governors around the Nation have been able to get together with their State legislatures, and to agree on programs to help families move from welfare to work.

Research by the Manpower Demonstration Research Corporation (MDRC) has demonstrated that these programs can succeed. Results from San Diego, for example, show that welfare recipients participating in an experimental program had a higher employment rate than nonparticipants, and they had wages 23 percent higher than those outside the program. At the same time, welfare costs went down by nearly 10 percent.

We realize, however, that the research is incomplete, and there is more to learn before anyone can say with authority which kinds of education and training programs are most effective.

The programs that the MDRC has studied so far have generally offered a very limited range of short-term services, with an emphasis on job search and unpaid work experience. And only a few of the participants had very young children who needed extensive child care services.

As the MDRC warns us, because of the limited scope of most of the programs that have been studied thus far, a number of key questions remain unanswered. For example, we still don't know whether costly and comprehensive programs - such as those offering education or vocational training - will

yield more positive impacts and prove cost effective, although recent findings from a study of the program in Baltimore are encouraging. Another unanswered question is whether, if women with younger children are involved, it will even be feasible to provide the child care services that will be needed.

There can be no question, however, that child care must be an integral part of any new program that involves mothers of young children.

Last year, in a major policy statement on welfare reform, the Governors reminded us that it was the States that have made the leading innovations in education and employment programs for welfare recipients, and they stressed the need for continued flexibility in this regard.

This morning we will be hearing from witnesses representing States with three very different programs. And I hope they will address the subject of the kind of legislative framework they think they need to make their programs work. What are the appropriate areas for new Federal requirements, and what areas are best left to State discretion?

All of us here today are concerned about children, and we're looking for ways to help.

There are 11 witnesses here this morning who are ready to tell us how. We welcome them, and look forward to their guidance.

PREPARED STATEMENT OF SENATOR JEFF BINGAMAN

Thank you, Mr. Chairman for bringing us together this morning to discuss this vital piece of legislation. I want to commend my good friend, Senator Moynihan, for his outstanding and wise leadership in the Senate's effort to reform our welfare laws. I am proud to be an original co-sponsor of the Senator's Family Security Act, and I am pleased to have the opportunity to share my thoughts on this legislation with you and the members of the committee.

POVERTY PROBLEM

As you well know, one of the major criticisms of our current welfare system is that it locks people into public dependency and thereby perpetuates a permanent class of poverty-striken and undereducated citizens. This criticism apparently has merit. Since its enactment more than 50 years ago, the Aid to Children of Dependent Families program seemingly has done little to help individuals break out of the chains of poverty. Indeed, AFDC benefits originally were intended to enable widows to stay home to care for their children. No work incentive was stressed then, and none was stressed when the number of AFDC participants, both mothers and children, ballooned in the 1960s. Some twenty years later, as we once again review current statistics and programs, we see that both the federal government and the states, which are charged with the duty of administering the programs, have largely failed in any real efforts to get AFDC participants out of poverty and into the workforce.

Today more than 11 million persons receive AFDC benefits. More than seven million of those recipients are children. That is seven million children living in poverty -- going to sleep hungry, going to school hungry, going through life hungry, and often undermotivated or unconcerned.

NEW MEXICO PERSPECTIVE

In my state of New Mexico the problem is especially critical. The Public Voice for Food and Health Policy, in a study profiling rural poverty in New Mexico and three other states (Kentucky, Georgia, and Kansas) revealed that rural poverty in New Mexico was higher than the national norm at the beginning of the 1980s, before the repeal of the federal Work Incentive Program, and has worsened since.

In 1979, nearly 18 percent of New Mexico's population lived below the poverty line. All but one of the state's 32 counties had poverty rates above the national average of 11.6 percent, and more than half of our counties had poverty rates at least 50 percent above the national average.

Minority populations are suffering the most in New Mexico. Twenty-three percent of the state's Hispanics, 29.3 percent of its blacks, and more than 40 percent of its Indians live below the poverty threshold -- compared to 13.3 percent of the state's Anglo population.

As many of you know, these statistics do not begin to convey fully the plight of New Mexico's and America's poor. Poverty can shackle a person to a life of hardship, life without the benefit of a good education, a stable job, or adequate health care.

Despite the growing numbers of New Mexicans living below the poverty line, fewer are tapping into available assistance programs, the food stamp program, for instance. The number of New Mexicans participating in the program has dropped by more than 24,000, or 13.3 percent, since 1980. Much of the problem lies in the fact that the assistance is not easily accessible. Recipients often have to drive great distances just to participate.

WELFARE REFORM

What do these statistics mean? To me, they mean we must overhaul our welfare program now. Our current system is sorely short-sighted -- we give a person or a family a check each month, shut our eyes, cross our fingers, and hope that in time such checks will no longer be needed. We can do better than that. And I believe we can do it through the legislation before us today.

This legislation offers a rare and valuable opportunity for the federal government to work with the states to improve the quality of life for a portion of our population that desperately needs our help. At the same time, I believe the provisions crafted by Senator Moynihan allow the individual states sufficient latitude to design the type of assistance program best suited to each particular state.

I am particularly hopeful that this bill's education and employment provisions may offer tremendous help to many of the New Mexicans now receiving welfare benefits. As I mentioned earlier, the unemployment rate in my home state is hovering around 9 percent. Much of the problem lies with the fact than many of our traditional industries in New Mexico - mining and oil and gas, for example, are in trouble. We need to make retraining a top priority and I believe this legislation does that.

I do not mean to suggest that nothing currently is being done. On the contrary, New Mexico has implemented "Project Forward," a successful pilot program to educate, train and help long-term participants overcome their dependence on public assistance programs. (Such planning by states is one of the requirements of the Family Security Act.) However, this is only a pilot program, and the recently introduced state welfare reform measures, are still in the developmental stages. Like all new and innovate programs, problems remain to be addressed.

CHILD CARE ISSUE

I would like to discuss in greater detail one of these problems - a problem that necessarily arises whenever a parent is encouraged, or required, to leave the home for work or school: The problem of quality child care.

I do not think anyone will deny that the first four or five years of a child's life are extremely critical. They are years of rapid growth and development. And as the Children's Defense Fund points out, that development is uniquely subject to influence from outside sources.

Because we have the power to shape the lives of young Americans for generations to come, and because by enacting this legislation we will shape the lives of thousands of children currently born into poverty, we must pay special attention to the needs of our children.

As I stated earlier, more than seven million children presently are dependent on our Aid to Dependent Children program. That means that the parents of more than seven million children, who currently receive little or no day care, will soon be required to find day care services for their children while they attend classes or work.

We in the federal government must work with the states to ensure that any initiative requiring child care includes provisions for the availability of safe and adequate child care. I know that this is a very costly proposition, but I think it is a very wise one.

I am pleased that this legislation ensures states a stable funding source for child care projects in its entitlement provisions and that Title III of the Act ensures transitional child care for newly employed and independent parents.

Many people have said that these provisions do not go far enough. Perhaps we could, and should, do more. I believe this is an issue that must be seriously addressed by us all, and it is one I intend to pursue with parents, legislators, businessmen and other concerned individuals in my state.

There is much we can, and must, do for our children and for our fellow citizens struggling to break the grip of poverty. We are a compassionate society. And I believe a truly compassionate society is one that helps people help themselves. This legislation does that. I wholeheartedly support it. Thank you.

PREPARED STATEMENT OF SENATOR JOHN H. CHAFEE

Thank you, Mr. Chairman. It is my hope that these hearings will help us to complete the task we began this Congress: true welfare reform. I am eager to proceed with our work on this, one of the most important tasks we face this year. Again, I would like to thank both the Chairman and my distinguished colleague Senator Moynihan for their leadership on this issue.

Mr. Chairman, the time is now ripe to commit ourselves to positive action in this area. The House of Representatives passed its version of welfare reform last session, leaving us with the strong message that this issue is a priority. I believe we should do the same.

Today I expect that most of our discussion will center around S. 1511: The Family Security Act of 1987. I am proud to be one of fifty-five cosponsors of this measure. It is a measure that deserves to be molded carefully and moved through the Senate soon. It is a step in the right direction, a step that we have been waiting too long to take.

We have all heard the statistics on the rates of welfare dependency in this country. We have also been shocked by the rate of child poverty. We know that we are spending, on the federal level, over $8.6 billion a year for AFDC alone, yet we are still not adequately feeding and caring for the millions of poor children and their families in this country. Obviously, we are doing something wrong.

S. 1511, The Family Security Act, provides us with a vehicle to start changing our ways and set off in a new direction. As I have said in earlier hearings, S. 1511 is not perfect and there are changes I would like to see made. In transitional Medicaid and child care, I would like to see an expansion. The waiver section, in my view, should be narrowed. These suggestions are offered with the highest degree of respect for both the bill, and its maker, my distinguished colleague from New York. I congratulate him for including such essential provisions those which mandate AFDC-UP, automatic wage withholding for child support, and targeted job training and education for those who are most dependent.

In short Mr. Chairman, I am excited by our potential for meaningful welfare reform, and I am eager to proceed to the task at hand. My constituents have also made their desires and concerns clear to me. The Urban League of Rhode Island, the Rhode Island Advisory Commission on Women, the OIC Learning Opportunity Center, Rhode Island Working Women, the Rhode Island branch of the National Council of Jewish Women, and many, many more have expressed their views and offered expert advice. I commend them for their advocacy and their interest, and join them in their vision for the future. That future starts today.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF SENATOR THAD COCHRAN

I appreciate the opportunity to come before the Senate Finance Committee and express my support for the Family Security Act of 1987.

I think a consensus has formed on the need now for welfare reform. There is agreement on the importance of parental support for children, the value of work, and the primary responsibility of the individual for himself, but also on the responsibility of the state to provide adequate and sensitive help to those who are unable to provide for their own needs. It is this meeting of the minds that makes it possible to move forward. I think we should take advantage of the unique opportunity and legislate some needed changes in the system.

Last year, I decided to co-sponsor Senator Moynihan's welfare reform bill. Just as in many other states, in my state of Mississippi we have far too large a percentage of our total state population who are potentially productive people but who are living and raising their children in poverty and in an environment where it is unlikely that they will gain an appreciation of the value of a job or enjoy the personal confidence gained from being self sufficient. Most who are living under these conditions want a much different life for themselves and their children. But, until now, there has been little encouragement and for some there is no hope at all. It is that human condition of despair and hopelessness that we must work to change.

Doing that takes commitment - commitment of the federal government to thoughtfully set some reasonable national

standards; commitment by federal and state governments to provide sufficient funding; commitment to create better training and education programs and provide access to day care services; and commitment of welfare recipients to take advantage of the new opportunities.

I am here today to speak out for the welfare recipients in my state who want to be more self sufficient and who want their children to have a better chance than they did; and I am also representing the other citizens of our state who all too well understand that Mississippi's economic future depends on this change.

We start by placing primary responsibility on parents to support their children. In Mississippi of a total of 174,638 child support cases referred to our welfare department, 73% do not have any child support obligation.

The automatic wage withholding requirement in the bill makes a needed statement, loud and clear, that this nation expects absent fathers to help support their children.

In the work, training and education component of this bill, flexibility is given to the states to design an education program to fit the needs of the individuals to be served. The bill is structured to target long term welfare dependents and provide them with new skills and training for a more productive life.

I think the child care provisions in this bill are very important. The child care barrier to work and education is very real, and it is essential that there be a child care component in the welfare reform effort.

Needless to say, the issue of expanding benefits has been a big part of the discussion of welfare legislation, particularly in the other body. For many in my state the cash benefits are inadequate. In Mississippi a three person family receives only $120 per month in cash assistance. Other noncash benefits have kept better pace with costs of living. Especially helpful are the nutrition assistance and housing programs.

Even though the changes created by this legislation may be incremental, I believe it will prove to be a big step forward in improving our nation's social policy. I congratulate Senator Moynihan for his leadership in moving us closer to agreement than many thought possible. I am ready to go with you to the Senate floor to try to get a bill passed which can be signed by this President before the 100th Congress comes to a close.

PREPARED STATEMENT OF SENATOR DAVID DURENBERGER

I am pleased to join my distinguished colleague from New York, and our other colleagues from the Senate Finance Committee, in sponsoring the Family Security Act.

We live in an exciting and challenging time, a time when doing things better means doing them smarter, not just in the time-honored Congressional style of simply spending our way toward so-called solutions.

That's especially true as we look at our welfare system, at the real and perceived problems. We've failed often to reach the most needy, and we've not provided the tools to help those in need to attain self-sufficiency. There are few incentives for recipients to move off welfare roles, or for welfare administrators to organize for successful job training and client independence.

But it is our children who are the true victims of the present system. We spend so much time and energy worrying about what happens after we become 65 -- that day looms daily closer for each of us -- and so little time worrying about what happens to our nation's young. Children growing up today promise to be the most burdened generation in U.S. history.

In 1986, 22.1 percent of this nation's children under age six lived in poverty, the highest poverty rate of any age

group. Further, 24 percent of infants are without health insurance. An even greater percentage are effected by the lasting disadvantage of growing up lacking the health and nutritional needs to lead healthy and productive lives.

Congress must be willing to play a leadership role in educating our children and preparing individuals to support themselves. Also, we must reaffirm our national family values and the fact that parents have the fundamental obligation of financial support of their children.

This bill is an important step in the direction of strengthening our commitment to our nation's most precious resource, our children, and restoring the work ethic and the pride that accompanies that for those who need a hand to climb up.

There is one aspect of the bill, however, where I want to work with the Chairman and others on this committee, to avoid creating new problems in the solving of others.

Specifically, under the guidelines in this bill, <u>every</u> child support order is required to be reviewed and adjusted every two years. While I fully understand and support the need for review and adjustment, I believe a mandatory judicial review every two years will place an overwhelming financial and administrative burden on both the child support agencies and the court system. I would prefer to see a stipulation that all

clients have the right to a review and an update, and that Child Support Agencies be required to meet that request.

I believe this process would both protect the well-being of those involved and eliminate the cost of unnecessary review. States and Counties may consider the use of an administratively controlled adjustment, automatically linked to the wage index, to minimize the burdens. A similar program has been highly successful in my own State of Minnesota. I hope to work closely with Senator Moynihan in reaching a consensus on this important matter.

Once again, I would like to express my commitment to the bill and congratulate Senator Moynihan on his great leadership toward restructuring the welfare system in this country to help restore traditional family values, create an environment that encourages the American work ethic, and takes into account some of the unmet needs of our children.

Prepared Statement of Robert Greenstein

I appreciate the invitation to appear before you today. I am Robert Greenstein, director of the Center on Budget and Policy Priorities, a non-profit research and analysis organization located here in Washington, D.C. Since its founding in 1981, the Center has concentrated primarily on issues related to poverty and the low income population, with an emphasis on how federal and state policies and programs affect these issues.

Strengthening Families

The growing consensus that we need to find ways to strengthen families has provided a major impetus for reexamining our nation's welfare system. In an effort to increase parental responsibility for the economic welfare of children in families with an absent parent, all of the major welfare reform proposals pending before Congress include a package of provisions to strengthen child support enforcement. There is little disagreement about the importance of these reforms, particularly in view of the fact that nearly one out of every two children born today will become potentially eligible for child support before reaching age 18. It is now widely recognized, in part due to the efforts of Senators on this Committee, that the existing child support system is wholly inadequate. Sixty percent of single mothers with children living below the poverty level did not have a court order for child support in 1985. Of the 40 percent of low-income mothers who were awarded child support, 34 percent received no payment at all. Efforts to tighten enforcement, including mandatory use and updating of guidelines, should help us to make important progress in rectifying these deficiencies.

Concern for the support and well-being of children should not be limited, however, to children residing in single parent households. Children living in poor two parent families are equally deserving of concern and support. Today, in approximately half of the states, two-parent families are automatically ineligible for cash assistance through AFDC, regardless of how poor the families are. In some areas, no cash assistance at all is available to poor children in such families unless the father leaves the home. S. 1511 would address this matter by making benefits available, in all states, to poor families that fall below the state's AFDC income limits and in which the primary earner has a strong tie to the labor force.

(To qualify for benefits under AFDC-UP, the primary wage earner must have worked six or more quarters in any 13 calendar quarter period ending within one year of application. S. 1511 maintains this requirement for workforce attachment, while allowing states the option of counting quarters with education and training for up to four of these six quarters.)

The support for this provision of S. 1511 -- which is designed to help families stay together during difficult economic times -- is broad and encompasses many liberals and conservatives alike. Governor Clinton has testified before this Committee regarding the governors' support for expanding AFDC-UP. State welfare commissioners have indicated their endorsement of this pro-family initiative. The House has passed the AFDC-UP mandate three times in the past three years. And in their recently published book, *Out of the Poverty Trap*, Stuart Butler and Anna Kondratas of the Heritage Foundation call for extending AFDC to two-parent families in all states, observing that "since family stability should be a primary policy goal, it would be a wise exercise in prevention for all the states to provide that assistance to help intact families in hard times, rather than restrict their assistance only to families that have already collapsed."

Extending cash assistance to poor, unemployed two parent families is important for another reason as well -- to help plug a large hole in the safety net that has widened in recent years as a result of major contraction in the unemployment insurance program. For many unemployed two-parent families today, neither unemployment insurance nor public assistance is available, leaving them with little or no government cash support.

For each of the past three years, the percentage of the unemployed receiving unemployment insurance has set a new record low. In each of these years, fewer than one of every three workers classified as unemployed received unemployment insurance benefits in an average month. In 1987, only 31.5 percent received benefits in an average month. The percentage of unemployed workers receiving benefits has been substantially lower in the 1980's than it was in the 1970's.

The erosion of unemployment insurance coverage has been greatest for the segment of the unemployed that has the highest poverty rate -- the long-term unemployed. As a result of changes included in the Omnibus Budget Reconciliation Act of 1981, the extended unemployment benefits program (which is

ied to provide 13 additional weeks of benefits to the long-term unemployed in states with troubled economies) is now so limited that no state qualifies ended benefits -- not even Louisiana with an unemployment rate of ercent in October 1987 or West Virginia with an unemployment rate of cent.

et while the extended benefits program has become substantially weaker, nber of long-term unemployed has grown. In November 1987, there were l workers unemployed for six months or more, 44 percent more than in

cent studies by the Urban Institute and the Institute for Research on y have found a direct link between these changes in the unemployment ice program and poverty rates. Urban Institute analyst Wayne Vroman substantial increases in poverty rates among the long-term unemployed as a of the reductions in unemployment insurance coverage. "... [I]t is clear long-term unemployed experience very high poverty rates and that UI have a substantial poverty-reducing impact," Vroman reported. "In the of some alternative new program, and given the particularly large amount term unemployment experienced in the 1980s, it seems to be clear that UI cutbacks have contributed to economic hardship and to occurrences of in the 1980s."

eldon Danziger and Peter Gottschalk of the Institute for Research on examined the circumstances of the workers who were employed at low- s but then lost their jobs and joined the ranks of the unemployed. They at most unemployed household heads who had previously held low-wage not receive unemployment insurance benefits, and that the proportion receive benefits had decreased substantially in recent years. Moreover, less workers and their families received little in the way of cash from other programs. As a result, they were "at a high risk of

erosion of unemployment insurance coverage has thus made the of the AFDC-UP program to all states more critical. In 1986, there tates in which fewer than one-third of the unemployed received ment insurance benefits. In 17 of these 26 states, there is no AFDC-UP In at least 24 of these 26 states, there is no state general assistance hat covers impoverished two-parent families with children.

Targeting Work Programs for Greatest Effect

All welfare reform bills pending before Congress reflect a national consensus, shared by lawmakers, program administrators, taxpayers and most of all, by welfare recipients that employment is preferable to welfare. As Congress focuses on expanding education, training, and employment programs for welfare recipients as part of a larger strategy to combat poverty and encourage self-sufficiency, it is important that programs be structured to afford states considerable flexibility while at the same time ensuring the optimal use of available state and federal resources. As such, it makes sense to build upon the latest data concerning the dynamics of welfare dependency and upon research findings from evaluations of state welfare-employment programs.

Numerous studies, particularly those conducted by the Manpower Demonstration Research Corporation, have indicated that welfare employment programs generally are more cost-effective when adequate resources are focused on those recipients who face greater barriers to employment. S. 1511 directs states to ensure that a substantial portion of resources are focused on welfare recipients who are at risk of becoming dependent on welfare, such as teenage mothers and mothers who have been on welfare for at least two years.

An emphasis on providing intensive services for recipients with limited education and work experience makes sense for both fiscal and humanitarian reasons. For most welfare recipients, AFDC is only a temporary source of relief. Approximately half of all recipients receiving AFDC leave the program within two years (and even with return spells on AFDC, half receive benefits for four years or less). In contrast, a minority of recipients remain on the program for eight years or more. Yet these long-term cases constitute about half of those on AFDC at any point in time and more than half of AFDC benefit costs. Focusing assistance on individuals likely to become long-term dependents consequently has a greater impact on AFDC costs and on reducing long-term welfare dependency than providing services primarily to those who are likely to find their own way off welfare after a relatively short period of time. Simply put, if a recipient has the skills and motivation to leave welfare in a short period of time, a work program often has only a limited effect (especially from a fiscal standpoint). But if a recipient who would remain on welfare year after year is enabled to leave the rolls by virtue of a work, education or training program, very large savings can result.

In a report issued last year, the General Accounting Office found, unfortunately, that a majority of state employment and training efforts do not pay sufficient attention -- or direct sufficient resources -- to this long-term group. The GAO reported: "In general, states appear to have chosen to cover larger numbers of welfare recipients by spreading services thinly over many people," providing most participants with services that do little to upgrade skills. In addition, the GAO found, these services tend to be focused on participants who have less serious employment barriers and would be easiest to place -- precisely the group most likely to find jobs and leave the welfare rolls on its own. In some states, the GAO reported, those recipients who have the least work experience, the most serious educational deficiencies, or the greatest needs for child care are "screened out" and not treated at all, because helping them would involve providing education, training or support services that are more costly on a per person basis.

Even when programs do enroll those with greater barriers to employment, the common practice, the GAO found, is to provide them with inexpensive services that do not upgrade their skills. Most participants in the work-and-welfare programs receive "job search services, which are not designed to increase skill levels....in practice, most participants engage in activities that send them directly into the job market without skill or work habit enhancement."

Counselling that improvements could be made, the GAO observed that "evidence suggests that encouraging programs to work with people with more severe barriers to employment could improve long term effectiveness" and that "serving people with greater employment barriers means more intensive -- and expensive -- services such as education and training." However, to refocus work programs on those with greater employment barriers would generally require either more resources or reductions in the overall number of recipients served by the programs, the GAO noted.

Despite this evidence documenting the need to allocate work-and-welfare resources prudently, the Administration and some in Congress have recommended the establishment of federal participation quotas in welfare employment programs in order to guarantee that states serve large numbers of AFDC recipients. Specifically, the Michel-Dole bill, S. 1655, would impose very high participation quotas on state programs coupled with stringent penalties on states which fail to comply with these requirements.

There is a real danger that adopting such a policy would seriously undermine the flexibility states need to design cost-effective programs. The research literature indicates that state work programs which place greatest emphasis on the numbers of recipients in these programs -- and which consequently have few resources for more intensive treatments for long-term, harder-to-employ cases -- have been among the least effective state efforts. In this regard, the GAO has observed:

> "The administration has proposed expanding programs by mandating high participation rates. Yet the data suggest that states already are trying to spread their funds over large numbers of participants by providing less expensive services such as job search or direct placement. High mandated levels of participation with continued limited funding would likely exacerbate the tendency to serve more welfare recipients in inexpensive options while providing fewer with the education and training services they need."

Further disturbing evidence on the issue is contained in a new study released in November 1987 by the Manpower Development Research Corporation. MDRC evaluated a large-scale welfare-employment program in Cook County, Illinois which sought to reach the entire WIN mandatory population (women with children age six and over). MDRC found that in order to accommodate such a large caseload, resources had to be spread thinly over large numbers of recipients, the treatments provided were non-intensive, and program staff had to focus substantial effort on administering and monitoring compliance with the program rather than on providing direct employment-related services to clients. The results were that in contrast to most other state welfare employment programs evaluated by MDRC, the Cook County program produced *no statistically significant gains in employment or earnings*.

These findings prompted MDRC's president, Dr. Judith Gueron, to observe in testimony before this Committee last fall that there may be a minimum average expenditure level per recipient below which welfare employment programs are ineffective. According to Dr. Gueron, "Setting high participation standards without high levels of funding may lock states into providing uniform, very low cost services that do not benefit recipients, particularly the most high risk groups, such as young mothers."

The possibility that participation quotas would result in low cost services -- and few if any employment and earnings gains -- is of particular concern given that virtually all pending welfare reform bills substantially expand the number of

AFDC families subject to work requirements. Under current law, women with children age six and over are required to register for the WIN program. In a significant policy change, S. 1511 (and H.R. 1720) would tighten work requirements by mandating that women with children age three and over participate in education, training, and employment programs. If states are faced with participation quotas that apply to a greatly enlarged pool of work registrants, states could be forced to spread resources even more thinly than was the case in Cook County. This scenario raises serious concerns about the nature of the services that would be provided to the very types of recipients about which we should be most concerned -- long-term welfare dependent cases such as mothers with more severe barriers to employment, young mothers with young children who need child care, and mothers who badly need services to help upgrade very basic job-related skills such as reading and writing.

Participation quotas would also undercut needed state flexibility to tailor programs based on local economic conditions, available state resources, employment opportunities, caseload composition, and other factors. The participation quotas proposed in the Dole-Michel bill would apply to all states regardless of state economic or fiscal conditions. This could force states with weak economies, high unemployment, and pockets of rural poverty to spend scarce state and federal resources meeting arbitrary participation targets even where jobs are not available and where the funds could be better spent improving long-term employability for those most lacking in basic skills.

Further, many of the states operating large scale, apparently successful programs -- such as Massachusetts or California -- would likely have to alter the services they now provide if they were faced with the kind of participation quotas that are contained in S. 1655. Current efforts to improve literacy, provide remedial education, and expand child care options would probably have to be curtailed -- because they would be too expensive on a "per person" basis, and states would need to spread their funds over a much larger number of recipients in order to comply with the federal participation requirements. In short, despite good intentions, these work program participation quotas would be likely to weaken rather than strengthen state efforts to combat long-term welfare dependency.

Waiver Authority

Another issue likely to receive attention during this Committee's deliberations on welfare reform involves state experimentation. There is general agreement that constructive state demonstration projects can help us learn how to improve the welfare system and that innovative programs designed to reduce welfare dependency are being tried in some states. At issue is whether additional statutory authority is needed giving states wider latitude for demonstrations, and if so, how to provide for this further experimentation while maintaining the integrity of basic federal programs which have been carefully designed by Congress to serve the needs of poor families and children.

It is important to note that the innovations of recent years at the state level, particularly in the areas of welfare employment programs and child support enforcement, have been achieved under current law. Longstanding procedures established by Congress already enable states to test a variety of experiments in a number of low income programs. For example, section 1115 of the Social Security Act enables states to apply to HHS for waivers of many federal rules in a number of Social Security Act programs, including AFDC, child support and Medicaid. (To accommodate state interest to experiment with child support, Congress specifically added a new child support section to section 1115 in 1984.) Many states are currently operating experimental programs under this authority or have waiver requests pending before the Secretary. Under this authority, HHS recently granted comprehensive waivers to New Jersey to operate its multifaceted REACH program and to Wisconsin to test activities for mothers with young children and school attendance requirements for minor recipients. Additionally, numerous states have designed and implemented welfare employment programs under the WIN demonstration authority and under other work program options (such as CWEP, job search, and work supplementation) enacted by Congress in 1981.

While the demonstration authority under current law can cover a broad array of state waiver requests, occasionally a state may formulate a specific demonstration project that extends beyond the parameters of the section 1115 waivers and the WIN demonstration authority. When this occurs, the state can present its plans to Congress for consideration and approval. Congress regularly responds to such state requests, as demonstrated by its recent approval in the

reconciliation bill of Washington State's Family Independence Plan and New York State's new child support program. When states seek to make such fundamental changes in federal assistance programs that their demonstrations would require waivers more extensive than the broad authority already granted under section 1115, it is not inappropriate that Congress review and approve these plans (rather than leaving it up to an executive branch agency to determine on its own when basic provisions of federal law can be waived).

In addition, Congress frequently acts (without a specific state request) to authorize demonstrations and to waive statutory requirements to test specific approaches to improve welfare programs. Both S. 1511 and H.R. 1720 contain a series of experimental projects to test innovative approaches in a number of areas, including providing child care for AFDC mothers enrolled in work programs and increasing child support collections.

Thus, there currently are several mechanisms in place for providing rather broad flexibility for implementing demonstrations. To be sure, concerns have been raised by some states about the complexity of shepherding waivers through large federal agencies and the delays that can be encountered in the process. However, the President recently established a Low Income Opportunity Advisory Board, which is currently facilitating the granting of state waiver requests by executive branch agencies. This Board has been instrumental in recent months in the granting of the New Jersey and Wisconsin waivers. The Board's ability to streamline what in the past could sometimes be a cumbersome process for obtaining waivers permitted under current law is likely to address a number of the concerns voiced by states on the waiver front.

Nevertheless, several major welfare reform proposals would greatly expand the waiver authority granted to the executive branch. We have serious concerns about these proposals, particularly those designed by the Administration and reflected in S. 1655.

The waiver provision in S. 1655 is not an incremental extension of existing demonstration authority, but rather a major departure from longstanding Congressional policy. It would confer sweeping new authority on the executive branch (and effectively, on the White House) to waive virtually any federal standard or requirement in more than 20 federal programs designed by Congress for poor children and families, the elderly, the disabled, the homeless, and the unemployed. In an unprecedented step, the White House would be empowered to

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grant state requests to eliminate, consolidate, or fundamentally alter many basic federal programs. Upon the request of a governor, the White House could authorize a state to change the populations to be served by a program, to eliminate services for large numbers of poor families or poor children, to reduce benefits, to dilute due process safeguards, and to substitute programs which serve different objectives from those prescribed by the Congress. Under S. 1655, programs as diverse as WIC, Head Start, food stamps, Medicaid, and compensatory education for disadvantaged children, as well as welfare programs, could all be folded into a block grant.

Moreover, S. 1655 places no limits on the number of waivers the executive branch could grant. Literally hundreds of waivers of basic federal standards could be granted (and some White House officials have stated that this is one of their goals). If unlimited numbers of waivers are granted, it would be beyond the capacity (or the resources) of the federal government to secure independent evaluations of most such waivers, rendering them of questionable value as ways to learn how to improve our nation's welfare system. The provision for unlimited waivers suggests that the central underlying purpose of this proposal may not be to scrupulously test and evaluate a manageable number of carefully designed demonstrations, but rather to create so much diversity in so many areas that federal standards and programs begin to erode. In short, there are serious questions as to whether this is, at least in part, an attempt to resurrect the New Federalism proposal of 1982 (albeit in piecemeal fashion).

Further concern about the intentions and the impact of the Administration's proposal is generated by an examination of the funding mechanisms that would be used. Despite the professed interest in promoting state flexibility, the proposal actually includes a rather stringent litmus test. Although many of the programs that could be altered under the waivers are basic means-tested entitlements for the poor -- such as AFDC, SSI, Medicaid, and food stamps -- only waivers that use a block grant-type funding mechanism would be allowed. A state wanting to test an alteration in AFDC or Medicaid, for example, would have to agree to convert its AFDC or Medicaid program (or the segment of the program included under the waiver) from an entitlement to a fixed grant program.

The entitlement nature of these programs is crucial, however. It ensures that if more families become poor in a state during the course of a year -- due

to an economic downtown in the state or for other reasons – the federal funds will be there to meet the need. By contrast, under the waiver proposal in S. 1655, a fixed amount of funds would be provided to a state at the beginning of the year. If the state's economy worsened, need increased, and the funds proved insufficient, there would be no assurance of any further federal financial participation. Under S. 1655, states refusing to accept this condition would have their waiver requests denied.

When the waiver proposal in S. 1655 is examined in its totality, a rather frightening picture begins to emerge. Unlimited numbers of waivers could be granted by Administration political appointees, the waivers could enable basic benefits and protections to be reduced for poor children (for example, benefits or services could be transferred from children to the elderly, who generally are more politically potent), entitlement status would be compromised with potentially serious risks to poor families in the event of economic downturn, and in many cases, independent evaluations would be lacking so that no thorough assessment would ever result.

Indeed, given the various mechanisms already in place to provide for demonstrations, we are not persuaded that providing extensive new waiver authority to the executive branch is either wise or warranted at this time. Inasmuch as extensive authority already exists for state experimentation, it would be preferable to examine which, if any, refinements to current law are needed. Any new demonstration authority should be carefully prescribed within clearly defined parameters to maintain a balance between fostering state experimentation and ensuring that fundamental benefits and services are available (and basic standards are maintained) to protect poor children and their families.

Should the Committee decide, however, to include more expansive waiver authority in its welfare reform legislation, we believe it would be essential to include certain provisions in the waiver proposal of S. 1511.

There needs to be a limit on the number of demonstrations authorized, so that the demonstrations can be carefully evaluated and so that the waiver authority does not simply serve as a blanket authority for the White House to overturn, in states across the country, battles it has lost on Capitol Hill. S. 1511 limits to ten the number of demonstrations that can be conducted at any one time.

In addition, if multi-program waiver authority is considered, a high degree of caution needs to be exercised in drawing up the list of programs to be included. On the one hand, we would note that under S. 1511, unlike under S. 1655, programs such as Head Start, WIC, compensatory education for disadvantaged children, and food stamps (the sole program ever to place a benefit floor under poor children in our country) would not be swept under the waiver authority. On the other hand, the waiver provisions of S. 1511 do cover such programs as foster care, adoption assistance, and child welfare services. Far-reaching state discretion in these programs could undo protections for thousands of abused and neglected children in our foster care system that Congress, with leadership from this Committee, incorporated into landmark legislation in 1980. If the Committee moves forward with new waiver authority, we would urge that the Committee seriously consider removing these programs from the waiver provisions.

On the entitlement-versus-fixed grant issue, there is no justification for removing entitlement states for basic benefits for poor families. Over the years, a number of demonstration projects have been conducted in the AFDC program, the food stamp program, and other basic means-tested entitlements -- including projects testing coordination on a multi-program basis -- which maintained the entitlement funding structures. We would note that S. 1511 gives states the option of seeking waivers that use either an entitlement or a fixed grant funding approach (when programs that are currently entitlements are involved). While this is an improvement over S. 1655, we are concerned that the White House could simply elect to deny all requests that used an entitlement approach, thereby effectively achieving the same purpose as the provisions of S. 1655.

We would also note that it is essential to include, as part of any waiver provisions, basic protections for poor families and children. Waivers should not result in the further impoverishment of children who are already poor. Waivers should not be a mechanism by which children whom Congress has found to be truly needy have their benefits reduced or eligibility terminated or basic safeguards removed.

Finally, we would observe that federal standards in many of these programs are an integral part of our nation's safety net and should not lightly be disregarded. It was President Nixon who, nearly two decades ago, established national eligibility and benefit standards for the food stamp program after finding

that some states had severely restricted their food stamp programs while hunger and inadequate nutrition remained at high levels among poor children. And it was this Committee which in the past few years has played a leadership role in setting federal standards requiring states to cover more poor pregnant women and young children under Medicaid. While the current Administration may be philosophically opposed to such federal standards, that is not sufficient reason to provide waiver authority that enables the White House to authorize standards such as these to be disregarded in vital programs.

That concludes our testimony before the Committee. I appreciate the opportunity to appear here today.

Prepared Statement of Cindy Haag

This document shares our experiences in operating the Utah Emergency Work Program which was enacted by the Utah legislature in 1983 as a state funded, time limited, work-oriented alternative to AFDC-UP. While the basic eligibility standards are identical to AFDC-UP, the performance requirements are very different.

1. 40 hours a week of community work, adult education, training and job search is required of an adult.
2. The spouse is required to participate part time in educational or employment activities unless excused for good cause.
3. Payment is made only after performance.
4. Assistance is limited to six months in a twelve month period.

The results over the past 4 years have been dramatic: a 69% job placement rate, an average length of stay of 10 weeks, support for marital stability, and a cost of only 8% of the AFDC-UP program which Utah operated from 1961-81. The requirements and payment after performance set an expectation of employment. The program is changed from an assistance program with an employment component to an employment component with assistance. JTPA administers the employment activities and reports performance biweekly to the Department of Social Services.

Utah urges the Finance Committee to allow employment-oriented alternatives to the AFDC-UP program by providing for state flexibility, including the option of eliminating the quarters of coverage requirement. Based on Utah's contacts with Program Administrators in other states, they too have concerns about the potential costs and inflexibility of a mandated AFDC-U program.

Mr. Chairman, distinguished Senators of the Finance Committee, staff, and other concerned parties, it is a pleasure for me to address you on such an important topic. As Director of Assistance Payments in the Utah State Department of Social Services I would like to share with you Utah's experiences in serving unemployed two-parent households with dependent children.

Utah is a state which places high value on family stability and self-sufficiency. We do agree with the philosophy that we as a state, and as a nation, must take a careful look at the services needed by our unemployed two-parent households.

What I would like to address today is Utah's experience with the Aid to Families with Dependent Children - Unemployed Parent program commonly called AFDC-UP, our struggle with the termination of that program and the effective alternative program we now operate. I hope to demonstrate that Utah and other similar states can serve our two-parent households. To effectively do so, we will need the authority to operate employment-oriented programs which may deviate from the AFDC-UP regulations.

Utah operated its AFDC-UP Program for two decades (1961-1981). In its 1981 General Session, the Utah Legislature faced severe reductions in available state revenue and was confronted with the necessity of decreasing expenditures. The optional AFDC-UP Program became a prime target for reductions for several reasons. The program was showing sharply increased enrollment and corresponding costs of operation. Participation in the program fluctuated with the caseload reaching a high of 2312 families in March of 1981. The monthly average number of families served in its last year of operation was 2000. The grant cost of the AFDC-UP Program in fiscal year 1981 reached $10.5 million. AFDC-UP did not seem to move recipients into the job market. Line workers, Legislators, and the public did not like the program. Although WIN requirements were in place, they were ineffective in many cases. The public saw the AFDC-UP program as the sterotypical "welfare dole" with no real requirements placed on the able-bodied bread winner.

While actual employment placement rates are not available, a Department survey of recipients conducted in 1981 revealed that 35 percent of recipients reported receiving no assistance in job search. Twenty percent of those surveyed reported doing nothing to secure a job.

By the close of its 1981 Session, the Legislature voted to discontinue the AFDC-UP Program effective July 1, 1981. No alternative program or assistance was authorized for two-parent families.

From July 1981 to December 1982 Utah provided no program to unemployed two-parent households. This produced some dramatic and undesirable results for our State. Most notable among these results was the breakup of families. Although the study was not very scientific, we did conduct an in-house computer match to try and determine what happened to families after we closed out the AFDC-UP program. Then we compared the separation and divorce rates in the last year of the program with those rates in the households we terminated from the program in July 1981. It nearly doubled. We found that during the last six months of operation, 7.4 percent of AFDC-UP recipient families separated and the spouse and children came back on AFDC public assistance as a result of the desertion or divorce. In the six month period immediately following termination of the program, this rate rose to 13.6 percent.

After experiencing a recession in 1982, Utah was confronted with situations of blatant family hardship which no longer affected only adults, but which now placed children on the streets as well. Destitute families with children were sleeping in cars, under bridges, and in other temporary shelters. Some people came to Utah hoping to find work in the coal mines, or to the Salt Lake City area hoping to find work. No jobs were available. The Salt Lake County Information and Referral Service reported having to refer families to blood banks for financial assistance. It was clear that we had two-parent families in need of services.

The State Legislature and Social Services did not want to reinstate the AFDC-UP option. We decided to develop our own state-funded program. State Senator Bryce Flamm, then Chair of the Social Services and Health Appropriations Subcommittee, community groups and state Social Services officials entered into a collaborative effort with the State Legislature

to design a program which would address the needs of these families within the constraints of limited state funding. The desired outcome was a temporary, time-limited, work-oriented program which would assist the unemployed parent to promptly enter the regular labor market. The result was the Emergency Work Program, or EWP, which was initially funded during a special session of the Legislature in December 1982 and began operation in January 1983.

We administered this program using total state funds for over a year and then started to realize we had developed a very efficient and effective alternative to the AFDC-UP program. In October 1984, we were awarded a demonstration grant for two years totaling $1.5 million from the Office of Family Assistance with the Department of Health and Human Services. We are now in our fourth year of the Demonstration.

Now I would like to take a few minutes to tell you about the AFDC-Emergency Work Program in Utah.

The major goals established for EWP were to:

1. meet the basic financial and emergency needs of recipients,
2. keep unemployed families from separating,
3. assist the families in finding "regular" or unsubsidized jobs,
4. require participation before payment, and
5. be a time-limited program.

The basic eligibility standards (for example, income and resource limits and unemployment) are identical to AFDC-UP. However, the EWP client performance requirements are totally different.

1. A minimum of 32 hours a week of community work or adult education/training and, in addition, 8 hours a week of job search is required of an adult.
2. Payment is made only after the family meets the performance requirements. The financial benefits currently are: (a) $200 biweekly for a family size of three or four and (b) $220 biweekly

for a family size of five or more. This payment level is comparable to a regular AFDC grant, but low enough to encourage the wage earner to accept a minimum wage job.

3. Assistance is limited to six months in a 12-month period.
4. As part of the Demonstration we have included a requirement that the spouse must also enroll with JTPA and job search or engage in adult education/training unless exempted for a good cause. Good cause may include such things as the lack of child care or health limitations.

Administratively, the Department of Social Services establishes program policy, determines eligibility, and issues the assistance. The Job Training Partnership Act (JTPA) agency administers the program requirements (community work, job search, adult education, skill training) and verifies participation. Local JTPA offices are utilized as the manpower agency that administers the performance requirements. Just like a regular job, JTPA reports performance biweekly to the local Department of Social Services which then issues a check to the participant. Participants are eligible for Medicaid and may be eligible for Food Stamps. Workmen's Compensation Insurance is paid by the State.

EWP enrollment fluctuates with peaks in the winter months and dramatic reductions in the summer months when jobs are more available. For example, last year EWP served 350 families in February and 224 families in August. The average was 282 families per month. Using all state funds, we also serve families who do not meet the AFDC-UP quarters-of-coverage requirement. Young families and families with a long history of unemployment are the families most in need of employment and financial assistance. Our EWP effectively serves these families.

Now I'd like to tell you how effective EWP has been in assisting recipients to find employment, reducing the cost to the State, and strengthening family stability.

As is required in the HHS demonstration, an independent evaluation of the EWP is completed annually. Findings are dramatic and point to the fact that employment benefits can successfully be substituted for public assistance. I would like to give you some information from the third year summary evaluation and would request that this document be included as part of the record.

Briefly, the EWP third year findings are as follows:

1. The program achieves high job placement rates - 69%.
2. Even areas with high unemployment rates have a job placement rate of 50%.
3. The job retention rate is 90% after three months.
4. The average time on the program is 10 weeks. This is less than 1/4 the average length of stay of 10 months on the AFDC-UP program. This short length of stay is also found in the control district where there is no 6-month limit. Also, the rate of recidivism or repeat episodes of assistance is dramatically lower.
5. The program contributes to marital stability. Instead of the 13.6% of families that separated with the spouse returning to AFDC after we terminated the AFDC-UP program, only 6.2% of the EWP parents had separated and were on regular AFDC after the program benefits terminated.
6. The cost of providing this employment and job assistance program is only about 8% of the previous AFDC-UP program.

In addition to the study findings, we have experienced several other benefits. Intake workers have an alternative to offer the mother who applies for AFDC when it appears that the breakup in the family is because of lack of financial resources. The Legislature and the advocate groups support the program. We no longer receive taxpayer calls because the husband is "just sitting home and getting welfare and not looking for work."

The following chart depicts major findings which compares the old AFDC-UP program, no program, and EWP on several key program characteristics. The "no program" column represents 56 long term AFDC-UP households surveyed five months after the program terminated.

FINDINGS

Program Comparison

	AFDC-UP 1980-81	No Program 1981	EWP 1986-87
CLIENT CHARACTERISTICS			
Father's Average			
Age in Years	29.5	31.7	28.3
Years of Education	11.5	10.7	11.2
Barrier to Work	physical	unknown	physical
Mother's Average:			
Age in Years	26.7	29.2	25.3
Years of Education	11.0	11.2	11.2
Barrier to Work	child care	unknown	child care
Number in Household	4.5	4.8	4.6
State Unemployment Rates	6.8%	6.6%	6.2%
PROGRAM CHARACTERISTICS			
Participation Requirement	sometimes (WIN)	N/A	Always
Job Search Requirement	sometimes	N/A	Always
Spouse participation	never	N/A	Often
Maximum Grant (family of 4)	$415	N/A	$433
CLIENT/PROGRAM OUTCOME			
Employment Placement	unknown	51.8%	69.1%
Mean Hourly Wage	$5.12	N/A	$6.81
Marital Separation and Receipt of AFDC	7.4%	13.6%	6.2%
Length of Stay without 30 day Interruption	10 months	N/A	2.5 months
Recidivism: Previous episodes financial assistance	2.4	N/A	.9
Average Monthly Case Load	1,800	N/A	194
Average Monthly Household Grant	$425	N/A	$303
Grant Cost per Household	$4,250	N/A	$758
Annual Grant Costs	$9,173,000	N/A	$728,031
EWP as a percent of 1981 AFDC-UP Costs			8%

The question raised by these results is why is EWP as effective as it now appears to be? The answer (or answers) to this question are vital to Utah and to the decision you are faced with as it relates to Welfare Reform and the proposal to make the AFDC-UP Program mandatory in all 50 states.

We believe that there are several key components of EWP at the base of its success. Individually, the components do not seem to explain the success. Together they reinforce each other and support the major purpose of the program - that of assisting the participant to gain unsubsidized employment. Critical to the program is the 40-hour per week performance requirement which not only insures training, education and job search, but sets the priority of gainful employment. This requirement reinforces participant perceptions that the parents are supporting their family and not simply receiving public assistance. This perception is extended and further reinforced by the second vital component -- payment only after performance. In essence, what these two program requirements accomplish is to set-up expectations for participants. It is expected that they perform while on the program and it is expected that they obtain employment within a specified time period. It is our belief that people can accomplish what is expected of them. Without these expectations we are sure EWP would not be successful.

Spouse participation is also important. In today's two-wage-earner economy, both parents often need to secure training and employment if a reasonable standard of living is to be achieved. Under the Emergency Work Program, spouse participation in education and employment activities has sharply increased over the past 4 years. Increased emphasis has been placed on providing self-esteem workshops, adult education, job search training, and skill training.

In spite of the fact that 85% of the Emergency Work Program families have a child under age six, 65 percent of the spouses are now participating in educational and employment activities. Most spouses participate part time, 8-20 hours a week. We provide day care. The age of the child or pregnancy is not "good cause" for not participating. With appropriate day care, we have found that the age of the child is usually not relevant. Health, the quality of child care, access to transportation, flexible scheduling of classes, and other factors are considered.

One of the other keys to the success of the EWP in Utah is a strong commitment from JTPA. They are the ones who work daily with that participant with the

job focus always in view. When we first contracted with JTPA, we asked that they serve our clients but did not include money to cover administrative costs. They were willing, but skeptical. They are now strong supporters of the program. We also have a state coordinator who really cares about the people and the program. Lines of communication are kept open and problems are promptly resolved.

It is important to note that even the participants do not see this program as punitive. In the second year evaluation, the research model consisted of interviews with people who had been part of the EWP program. At the end of their program participation 212 people were interviewed. They were asked the question, "If you were an EWP administrator, would you require 40 hours of work and job search, payment after meeting requirements, and a six-month limit?" 76% agreed with the 40 hour participation, 86% agreed with payment after participation, and 48% agreed with the six month limit. A copy of the second year evaluation is also respectfully submitted as part of the record. This information is on page 40 of that document.

Recently, I had the opportunity to attend part of a Job Search workshop. After the workshop, I asked to talk with the people on EWP. All of the people felt that participation before payment and the hours required are appropriate for this program. One man put it very clearly. He had been on AFDC-UP in another state in the past. He said, "In this program I am a participant, not a recipient, where I just take and take. In the other (AFDC-UP) program it didn't take me long to get the 'you owe me' attitude." Another couple had just gotten married two weeks ago. She had been on AFDC and now both were participating in EWP. I think they were honest when they stated that without the program, she would have stayed on AFDC with him as a man-in-the-house.

Another recent exchange with a former EWP participant, who is now employed in a professional staff position in the State Department of Social Services, provided another insight into the benefits of the program. He stated that after being unemployed, the simple act of having to get up and get dressed each morning to go to the job site, improved his morale and self esteem. After working a 40-hour week, the 40-hour a week educational, training and job

search participation requirement is simply a continuation of what the participant was already doing. The longer term unemployed often encounter prospective employers who wonder what they've been doing with their time; will they come to work on time; etc. Participation in adult education, training, and community work can be used to relieve these fears.

There are some concerns that the six-month limit could be seen as punitive. It should be noted that the average length of stay on the program is only 10 weeks even though the family could receive assistance for six months. This shows that we are assisting most of those families in obtaining employment and are not forcing them off the program.

We do not view community work as negative or as "workfare." Along with the EWP participants, we view it as one of many options to increase participant skills and access to the job market. It should be used along with skill training and job search training.

We do not maintain that Utah's EWP would be successful in all other states. It works for Utah because it was designed by Utah to meet the employment needs of our residents. Other states which have operated successful work programs have done so because they have tailored them to their specific needs. We believe that state flexibility in establishing employment related requirements for two-parent households is the overall key to operating a successful assistance program.

We have had numerous inquiries and visits from other states. In fact, Indiana had never had an AFDC-UP program but plans to implement a program modeled after the Utah AFDC/EWP program. They have submitted their proposal to the Secretary and are awaiting approval. They plan to implement the program in ten counties. The components in Indiana's program are like our Utah program except they will be making payments (after performance) equal to a regular AFDC grant and the state is not paying workmen's compensation premiums. They hope to implement this as early as April 01 and are glad to be able to now provide services to their two-parent households.

We know that twenty-two states did not have an AFDC-UP program last fiscal year. In preparation for this hearing, I took the liberty of contacting Social Services staff in the states represented on this committee which do not currently have an AFDC-UP program. Those states are Texas, Colorado, Arkansas, South Dakota, Wyoming, and Oklahoma. Briefly, the responses I received were as follows:

Arkansas - They have never had a program but have completed estimates of the annual cost of implementing the program. The state portion of the program would be six million dollars.

Wyoming - They never had the AFDC-UP program, but do support serving two-parent households. They are in a budget session now and expect the full program to cost 2 million dollars for payments. They are considering requesting a time-limited program so would be looking for flexibility in any Welfare Reform bill that mandates AFDC-UP in all states.

South Dakota - Has not had a program in the past and is concerned about any mandate of the program.

Colorado - They are in a similar situation to Utah. They administered the program until 2/28/85. Although they have no formal position as their Governor's Blue Ribbon task force on Welfare Reform has just been appointed, they would be reluctant to reinstate the old AFDC-UP program. Counties are also concerned over possible costs of the 4.5 million dollar program. Colorado would like the flexibility to develop a program to meet their needs.

Oklahoma - They have been working with their State Legislature for the past few years to obtain appropriations for an AFDC-UP program. It is in the Social Service and Governor's budget requests again this year. Oklahoma came to Utah to look at our EWP program. If they

cannot obtain the 2.3 million dollars for full funding, they will ask for 1.2 million dollars in state funds and develop a program similar to Utah's EWP.

Texas - They have never administered an AFDC-UP program. They support serving two-parent households, but the two-year fiscal note will be $101 million in state and Federal funds.

What we are asking today is that you consider the impact on Utah and the other states who do not now have an AFDC-UP program. If you pass Welfare Reform legislation that mandates Utah to implement AFDC-UP, the estimated cost would be about fourteen million dollars plus any additional Medicaid expenditures. More important, we could lose the flexibility to continue our current successful program.

Utah urges the Finance Committee to consider an amendment that would provide for state flexibility by allowing employment oriented alternatives to the AFDC-UP Program. While we strongly support assuring that all states assist unemployed two-parent families in some way, we cannot emphasize too strongly that this can be most effectively and efficiently accomplished by allowing states the latitude of developing a program which will address their individual problems and needs. In addition, we urge the committee to allow states the option of eliminating the quarters-of-coverage requirements.

Before I close, I would also like to make a few limited comments on other aspects of welfare reform. In general, we support Senator Moynihan's bill. Along with the NGA, we are strongly opposed to requirements that would mandate states to enroll a certain percentage of recipients in employment activities. We also oppose any cap on employment program expenditures. This would result in providing only perfunctory services to the already job ready. A new WIN program could result. Instead, we strongly support targeting and the proposed combination of Federal-State funding found in Senator Moynihan's bill. States are committed, along with Congress, to operate effective employment-oriented programs. We can provide the results we all desire if we are given the opportunity and support to do so.

To summarize, when Utah had an AFDC-UP program, we had families who stayed on assistance for 10 months. We had an average caseload of 2000 families per month for a cost of over $10 million annually. We weren't sure of the job placement rates, the public sector didn't like the program, and we created our own form of dependency.

Realizing we were not meeting the needs of two-parent households, we wanted to look for an alternative. With EWP, we now have an average monthly caseload of 194 families for about 8% of the cost. But more importantly, we have a work-oriented, short-term program which actively assists people in moving back into unsubsidized employment. We support the wage-earner so that he retains his dignity and self-esteem, we show parents that we have faith in them as the support of their children. We have reinforced our State philosophy of valuing family stability and self-sufficiency.

Thank you for the opportunity to share Utah's experience with you.

SOCIAL RESEARCH INSTITUTE

EMERGENCY WELFARE WORK AND EMPLOYMENT:
AN INDEPENDENT EVALUATION OF
UTAH'S EMERGENCY WORK PROGRAM

FINAL REPORT

JUNE 1987

GRADUATE SCHOOL
OF SOCIAL WORK
UNIVERSITY OF UTAH

I. INTRODUCTION AND EXECUTIVE SUMMARY

Unemployed, two-parent households with dependent children face numerous economic, psychological, and social problems. Can a time-limited, work-oriented public program effectively reduce the problems in an efficient manner and at low costs to the state? The Social Research Institute at the University of Utah has conducted a two-year, independent evaluation of Utah's Emergency Work Program (EWP) to partially answer this question. Our findings indicate that the EWP has had a positive and cost-effective impact on the self-sufficiency and marital stability of participating families.

BACKGROUND

In 1961, with the support of President John F. Kennedy, national legislation provided for the optional Aid to Families with Dependent Children-Unemployed Parent (AFDC-UP) program for needy families with unemployed breadwinners. Twenty-nine states adopted the program; Utah was among the first.

In the late 1970s and early 1980s, nine states discontinued such assistance programs for unemployed breadwinners; Utah was the eighth to do so. (Since that time, Washington, Montana, and Oregon have reinstituted the AFDC-UP program.) Major reasons for Utah's discontinuing assistance to unemployed two-parent families were:

1. a sharp increase in case loads, partly because of the drastic reduction in laboring jobs due to a slump in the housing/construction industry during a time of recession;
2. limited funding because of a state revenue shortfall; and,
3. questionable program success of helping participants secure jobs. (According to an in-house follow-up study, 35% of the participants reported that no one was helping them secure a job and 20% reported doing nothing to secure a job.)

However, the problems faced by unemployed, two-parent households with dependent children did not disappear. As reported by Utah legislative staff researcher, Bryant Howell:

> Destitute families with children were sleeping in cars, under bridges, and in other temporary shelters. Some people came

to Utah hoping to find work in coal mines, but no jobs were available. And many came to the Salt Lake City area hoping to find something better.

In 1983, concerned community groups urged the legislature to do something to help. The Salt Lake County Information and Referral Service reported referring families to blood banks for needed cash. Community groups argued that limiting assistance to divorced or separated households was counterproductive. It was forcing families to separate. Utah's Department of Social Services conducted a computer record search and found that during a six-month period, 13% of previous AFDC-UP households had separated and were now receiving regular AFDC assistance.

Some key legislators were sympathetic to the dilemma and supportive of a "jobs program," yet recognized limited state revenue. Community groups, legislators, and the Utah social service staff sat together and developed the Utah Emergency Work Program (EWP). The EWP was designed as a "jobs program." A basic purpose was to maintain and enhance participation in the regular labor market; hence, a 40-hour/week client performance requirement, a job search requirement, payment after performance, and benefits limited to less than the minimum wage.

THE EMERGENCY WORK PROGRAM

In January 1983, the EWP was funded by the Utah State Legislature. Given limited state funds, the primary focus was on developing a time-limited, work-oriented program that would require job search and enhance participation in the regular labor market. The initial eligibility standards (for example, income and resource limits and unemployment) were identical to AFDC-UP. However, the EWP client performance elements were totally different--

1. A minimum of 32 hours a week of community work or adult education/training and, in addition, 8 hours a week of job search is required of an adult.
2. The spouse must also enroll with JTPA and job search or engage in adult education/training unless exempted for a good cause.
3. Payment is made only after the family meets the performance requirements. The financial benefits are: (a) $200 biweekly for a family size of three or four and (b) $220 biweekly for a family size of five or more.
4. Assistance is limited to six months in a 12-month period.
5. Eligibility verification is not emphasized. If possible, applications are approved in two days.

Administratively, the Department of Social Services determines eligibility, issues the grant, and establishes program policy. The Job Training Partnership Act (JTPA) agency administers the program requirements (community work, job search, adult education, skill training) and verifies participation. Local JTPA offices are utilized as the manpower agency that administers the performance requirements. Just like a regular job, JTPA reports performance biweekly to the local Department of Social Services which then issues a check to the participant.

EVALUATION

The Social Research Institute (SRI) of the Graduate School of Social Work at the University of Utah was contracted by Utah's Department of Social Services to conduct an independent evaluation of the program. The evaluation approach included a cost/benefit analysis of EWP as compared to Utah's terminated AFDC-UP program as well as compared to a "no program" group. The no program group was Utah's AFDC-UP recipients whose assistance was ended as a result of the program's termination in July 1981. The "no program" sample was surveyed five months after termination of the AFDC-UP program. Hence, the "no program" group represents longer-term Utah AFDC-UP households.

For the AFDC-UP and "no program" group, assistance payment data and the results of surveys conducted by the Utah Department of Social Services were used to provide data on client characteristics, cost-benefits, and results. For data on the EWP program, the data-collection approach was a quasi-experimental, pretest/post-test/follow-up design (i.e., a panel survey). At the conclusion of the two-year evaluation, SRI had conducted and processed 356 intake, 212 termination, and 148 three-month follow-up interviews.

FINDINGS

The major findings comparing the three groups are as follows (definitions of terms are found in the footnotes of Table 8.1):

	AFDC-UP 1980-81	No Program 1981	EWP 1984-86
CLIENT CHARACTERISTICS			
Father's Average:			
Age in Years	29.5	31.7	28.3
Years of Education	11.5	10.7	11.2
Barrier to Work	physical	unknown	physical
Mother's Average:			
Age in Years	26.7	29.2	25.3
Years of Education	11.0	11.2	11.2
Barrier to Work	child care	unknown	child care
Number in Household	4.5	4.8	4.6
Unemployment Rates	6.8%	6.6%	5.8%
PROGRAM CHARACTERISTICS			
Participation Requirement	sometimes (WIN)	N/A	Always
Job Search Requirement	sometimes	N/A	Always
Spouse participation	never	N/A	Often
Maximum Grant (family of 4)	$415	N/A	$433
CLIENT/PROGRAM OUTCOME			
Employment Placement	unknown	51.8%	70.3%
Mean Wage	$5.12	N/A	$6.81
Marital Separation Rate	unknown	23.2%	5.6%
Separation and Receipt of AFDC	7.4%	13.6%	6.2%
Length of Stay without 30 day Interruption	10 months	N/A	2.5 months
Recidivism: Previous episodes of financial assistance	2.4	N/A	.9
Average Case Load	1,800	N/A	154
Average Monthly Household Grant	$425	N/A	$303
Grant Cost per Household	$4,250	N/A	$758
Annual Program Grant Costs	$9,173,000	N/A	$560,440
EWP as a percent of AFDC-UP Costs			6%

Administratively, the EWP as a combination of job search, skills training, adult education and work has been found to be an effective, quick way for a two-parent household to secure regular employment in the labor market. At the end of the two-year demonstration project, several important findings are highlighted, namely:

1. As presented in the table on the previous page, the AFDC-UP and EWP programs were quite similar in the clients they served. (Eligibility requirements of the EWP were designed to be identical to AFDC-UP for direct comparative purposes.) The average years of education and age for fathers and mothers of all three groups were nearly equal. Barriers to employment were found to be similar. Fathers tend to have physical problems

preventing them from working, while women tend to cite child care as their major work barrier. Also, the average number in the households were similar.

Previous episodes of financial assistance were higher for AFDC-UP than for EWP. This might suggest that EWP is serving a smaller portion of long-term recipients than AFDC-UP. However, about 15% of the EWP participants did not meet the quarters of coverage requirement in contrast to 1-2% of AFDC-UP participants. In contrast to AFDC-UP participants, a significant portion of EWP participants had not worked during the past four years.

2. The EWP program was quickly established and implemented as a joint agency effort. Social Service personnel conduct the administrative duties of eligibility, verification, issuing grants, etc., and the Job Training Partnership Act (JTPA) personnel administer program requirements of community work, job search training, job search, etc. The division of labor established a strong communication between the two agencies. They jointly inform clients of program expectations and work together to assist recipients' entry into the regular labor market.

3. The cost of providing employment and job assistance was only about one-tenth of the Work Incentive Program (WIN) costs associated with the Utah AFDC-UP program. This reduction in cost is attributable to: (1) a short length of stay which sharply lower the caseload to be served by staff at any given point-in-time; (2) clear performance requirements and payment after performance; and (3) utilization of JTPA resources.

4. An effective 100% participation rate in employment activity can be effectively implemented for unemployed two-parent households with dependent children. Without exception each recipient of assistance had actively participated in employment activities, primarily due to the clear performance requirements and payment after performance. Securing sufficient community work sites or skill training opportunities was occasionally difficult for staff. However, with strong state support, sufficient sites were secured.

This 100% participation rate is in contrast to San Diego and West Virginia projects that have been considered as successful in achieving high participation rates. The San Diego Job Search and Work Experience Demonstration succeeded in involving 53% of AFDC-UP applicants, at least one day in a job search workshop or one hour in a worksite. In West Virginia, about 40% of the state's AFDC-UP caseload and 60% of the caseload in special saturation areas were involved in community work experience.

5. The program achieved high job placement and job retention rates. At the end of the demonstration project, 70% terminated from the program because of employment, while 57% were working in unsubsidized jobs earning over $500 per month. At a three-month follow-up interview, a 90% job retention rate was found. Clients who obtained employment more often had higher self-esteem scores and fewer episodes of previous financial assistance.

6. The average length of stay of EWP recipients was only 10 weeks both in areas with and without a six-month limit. This short length of stay was less than one-fourth the average length of stay of 10 months in the Utah AFDC-UP program in the year before termination of the program. Perhaps the expectation of EWP being a short-term (i.e., "emergency assistance") program becomes a psychological motivator that mobilizes client, staff and program resources. A short length of stay on EWP was primarily associated with fewer prior months of financial assistance. Also important were more hours spent in job search by both participant and spouse and more months employed at most recent job prior to EWP.

7. There was a significant difference in the length of stay between 6-month and non 6-month limit sites. The average length of stay for sites without a 6-month limit was 11.1 weeks compared to 9.3 weeks for sites with the 6-month limit. This difference is the result of a few cases (9) in the

non 6-month limit sites that stayed on the program for a relatively long period. When median length of stay was compared, there was no significant difference. No statistical differences were found between 6-month limit and non 6-month limit sites across outcome measures such as reason for termination, employment placements, and wages following program termination. In sites without a six-month limit, job search was stressed more and more participants were placed into community work. What appears to be a more important factor is that overall program stress on immediate employment and providing only temporary assistance remained the same for sites with and without a 6-month limit.

8. At the 6-month limit site, 13 percent of the participants are terminated because they reach the mandatory six-month limit.

9. Results indicated that the EWP is contributing to marital unity. At the time of the termination interview, 4% were separated while another 2% had changed from living together to married. (Unmarried parents living together with a child in common are eligible for the program.) Evidently the program also helped families come together. In contrast, 23.2% of the no program group (AFDC_UP recipients terminated at the program ending) had separated 5 months after termination from the program.

A review of client records 3-4 months after their termination from the EWP program indicates that only 6.2% of the families experienced marital dissolution, which is half the 13.6% experienced by the "no program" group or the previous AFDC-UP program. Overall, clients maintained positive attitudes toward the program as a means of keeping their families together.

10. Where both main participant and spouse found employment, their monthly income was high enough so that they were receiving no further financial assistance. This finding is important, since 85% of the families had a child below the age of six; yet, 20% of the spouses were actively involved in job placement activities.

11. The total grant cost of EWP was only 6% of AFDC-UP's grant cost--representing a 94% savings! Because of the short length of stay, the average grant cost per household served was only $758.

LESSONS LEARNED

Five lessons are learned from the EWP experience and other Utah employment efforts, namely:

1. Active, daily involvement in a combination of employment-related activities reduces the length of stay, reduces grant costs, and increases job placement. Job search activity is an essential requirement.
2. Community work programs need to be combined with other employment assistance such as, job search, adult education, skill training, and job placement. Community work programs are not effective unless combined with other employment activities directed towards employment. This finding is based upon Utah's experience with a variety of program models.
3. The EWP participation levels are much higher than those reached in other programs. The unique factor in EWP is payment after performance, which sharply increases involvement in employment activities and makes assistance similar to a regular job and its associated expectations.
4. High staff expectations for employment are an important motivator for clients securing a regular job within a short period of time.
5. Spouses involvement in employment activities is essential in today's two-wage-earner economy.

WHY RESULTS?

There are several reasons for the successful results of Utah's Emergency Work Program, namely:

1. Critical to the program's design, are--

   a. the 40-hour per week performance requirement,
   b. the combination of employment activities,
   c. the payment after performance which insures a 100% participation rate,
   d. the emphasis on short-term assistance,
   e. the expectation of obtaining a job,
   f. the expectation that spouses also be involved and participate in employment activities.

Each of these program components of the EWP are mutually reinforcing and support the purpose of gaining unsubsidized employment in the regular labor market. However, each individual component when applied singularly does not explain the program's success. "The whole is greater than the parts" to the point that a fundamental shift from a welfare to a jobs program has occurred.

2. Unlike other public assistance programs, a job search or work requirement is not added on to an assistance program. Instead, the basic purpose of the EWP program is obtaining regular, unsubsidized employment. This purpose is even reflected in its name. The name of the Utah program is not the Aid to Families with a Dependent Child--Unemployed Parents. The name of it is the Emergency Work Program.

3. A major component in the success of EWP is a "total orientation" to helping clients gain regular employment. This is a primary philosophical emphasis that shifts the attention of clients and staff to strategies for helping recipients become and remain employable. While both AFDC-UP and workfare programs also advocate employment, what distinguishes EWP is that regular employment is the prime and not an add-on-to-assistance feature of the program.

4. Finally, clients perceive their participation on the EWP as work, or a job, and not as a welfare program. Clear performance requirements for clients are reinforced by all agencies involved.

AT WHAT COST?

Costwise, EWP is a viable option to either AFDC-UP or having "No Program" at all. The EWP costs are about 6 percent of the previous AFDC-UP program. Cost-effective analysis was not able to be completed on the "no program" group, but considerable costs seem to be associated where no program is in place. States may pay just as much or more without a program than when there is an EWP-type program in operation for unemployed two-parent families needing assistance.

For states without the AFDC-UP program, the EWP represents a new method for meeting the needs of two-parent families without the costs associated with the present AFDC-UP optional program. A number of AFDC-UP and non AFDC-UP states have already approached Utah with questions about the results of the EWP.

United States Senate
COMMITTEE ON LABOR AND
HUMAN RESOURCES
WASHINGTON, DC 20510-6300

February 4, 1988

The Honorable Lloyd Bentsen
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

On behalf of the State of Utah, I would like to thank you for inviting Ms. Cindy Haag, Director of the Utah Office of Assistance Programs, to testify this morning on Utah's unique Emergency Work Program.

The Emergency Work Program (EWP) has been operating successfully in Utah since 1983. Now in its fourth year, the results have been dramatic, especially when compared to the outcomes of the AFDC-UP program. EWP is also an example of interagency coordination. By utilizing JTPA's service delivery and monitoring systems, costly duplication is avoided, and the program takes full advantage of each agency's functional expertise.

Utah tailored this program to meet our state's specific needs, and we are concerned that welfare reform legislation may impose various requirements which would eliminate this kind of departure from the standard approach. Rather, we urge the Committee to consider ways of encouraging innovative problem-solving, and to build in enough flexibility for states to develop new ideas for serving two-parent families effectively.

Again, Mr. Chairman, I am gratified by your interest in Utah's EWP program and would welcome the opportunity to assist the Committee in any way I can concerning your consideration of welfare reform legislation.

With every best wish,

Sincerely,

Orrin G. Hatch
Ranking Minority Member

PREPARED STATEMENT OF SENATOR JOHN HEINZ

MR. CHAIRMAN, TODAY'S HEARING ON WELFARE REFORM WILL OFFER SOME IMPORTANT INSIGHTS INTO HOW PROPOSALS BEFORE THE COMMITTEE MIGHT HELP TO PAVE THE ROAD FROM WELFARE DEPENDENCE -- TO INDEPENDENCE. THIS COMMITTEE HAS BEEN DILIGENT IN ITS EFFORTS TO ESTABLISH A USEFUL RECORD THAT WILL ASSIST MEMBERS OF CONGRESS AS WE CONSIDER WELFARE REFORM.

THE NEEDS OF OUR CHILDREN ARE ALSO THE NEEDS OF OUR FUTURE. POVERTY AND DEPENDENCY HAVE SADLY BECOME A PERMANENT REALITY FOR SOME SINGLE PARENTS AND THEIR YOUNG FAMILIES. EVEN WITH HELP FROM AFDC AND OTHER CASH ASSISTANCE PROGRAMS, ONE AMERICAN CHILD IN FIVE LIVES IN POVERTY -- AN INCOME BELOW $9,300 FOR A FAMILY OF THREE. MORE THAN HALF OF ALL CHILDREN WHO LIVE IN SINGLE PARENT HOMES ARE POOR.

SCHEDULED TO TESTIFY TODAY ARE EXPERTS WHO HAVE FIRST HAND EXPERIENCE IN THE KEY COMPONENTS OF WELFARE PROPOSALS -- CHILD SUPPORT ENFORCEMENT, EDUCATION AND TRAINING, AND THE TRANSITION FROM WELFARE TO WORK.

GERALD MCENTEE, PRESIDENT OF THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME) WILL REPRESENT THE VIEWS ON WELFARE REFORM OF WELL OVER 1.5 MILLION AMERICAN WORKERS. HALF OF AFSCME WORKERS ARE WOMEN EMPLOYED AS SOCIAL WORKERS, JOB COUNSELORS, TEACHER AIDES, AND HEAD START EMPLOYEES. I WELCOME HIS INSIGHTS ON THIS ISSUE.

AS WE BUILD A WORK AND TRAINING PROGRAM THAT PROVIDES MEANINGFUL ASSISTANCE TO WELFARE RECIPIENTS, A KEY TO SUCCESS -- OR FINDING A JOB -- WILL BE THE STATES' ABILITY TO MATCH THE SKILLS AND TRAINING TO THEIR OWN ECONOMY AND FUTURE WORKFORCE NEEDS. SEVERAL WITNESSES WILL TALK ABOUT THE EXPERIENCE OF STATES IN MEETING THESE GOALS.

WHILE WELFARE REFORM BY ITSELF MAY NOT PROVIDE ALL THE ANSWERS TO POVERTY AND DEPENDENCY, COMBINED STATE AND FEDERAL EFFORTS WILL HELP SOME TO BREAK OUT OF THIS VISCIOUS CYCLE.

I LOOK FORWARD TO REVIEWING TODAY'S TESTIMONY. THANK YOU, MR. CHAIRMAN.

PREPARED STATEMENT OF DAVID L. LEVY

WHAT IS NCCR?

Some people call our National Council for Children's Rights (NCCR) a fathers' group. Does favoring a child's right to two parents in marriage, as well as in divorce, make one a fathers' group, and favoring a child's right to just one parent, a mothers' group? We favor a child's right to two parents, but we are a child advocacy group.

NCCR is a non-profit, all-volunteer organization, almost entirely dependent on memberships and contributions from the public.

NCCR prepares written reports, video and audiocassettes and other educational materials we make available to legislators, judges, and members of the public, including our Evaluation of Sole and Joint Custody studies, Child Support Guideline Recommendations, Gray Areas in Child Sexual Abuse, and a School-based program for children, the survivors of the divorce wars.

NCCR favors strengthening the family, so as to reduce the popularity of divorce. The media, legislators, and family therapists should become more familiar with the research and writings of Stinnett, Lewis, Curran and Otto. If society emphasizes commitment, sharing time together, appreciation, respecting privacy, getting help when help is needed, and the other qualities that these researchers find keeps families strong, perhaps the popularity of divorce can be reduced.

NCCR has declared 1988 as the first year of our "War Against Family Breakdown."

I want to make observations about the changing family, comments about S. 1511 and our recommendations for change.

1. ONE OR TWO PARENTS AFTER DIVORCE? If divorce or separation occurs, should we encourage both parents to be involved with their children, or should we provide an enormous imbalance between custodial and non-custodial parents in a futile attempt to prop up the single parent family, as the child support portion of S. 1511 does. Let me explain.

The American economy is set up for the two-parent, two-job family. We can't support our children nearly so well in most cases in divorce, because we now have two incomes spread over maintaining two households. No amount of child support can rectify the fact that two households are now being maintained, instead of one.

Women in this country are divided between those who favor two parents after divorce, to provide the maximum amount of financial and emotional child support in a 2-household situation, and those women who favor just one parent.

The women who favor two parents for a child after separation or divorce may be divorced mothers themselves, stepmothers, grandmothers, or daughters. Or they may be professionals--researchers, social workers, mediators, teachers, attorneys, judges, legislators--who have seen the mountain of research that shows children with two parents are generally better adjusted and more likely to avoid problems in school, in their social development, and with the law than children of single-parent families.

They know that children of single parents are more likely to be involved in drugs and crime, more likely to be victims of criminal and sexual abuse, and more likely to be unwed teenage mothers and fathers, than children with two active parents.

These mental health professionals, and our National Council, favor a different approach than the child support measures contained in S. 1511. But there are some women's groups who seem to want to make certain that children have only their mothers. They want to prop up the single parent maternal homes which make up 90% of all single parent families. This would be just as bad as propping up the 10% of single parent homes headed by men. A child's right and need is for two parents.

Your approach should be one that encourages shared parenting, and that, we believe, is joint custody. Whatever policy keeps both parents involved is good for children, and may even reduce divorce.

Where the parents realize they must still deal with each other, there may be less incentive for divorce. Where parents falsely believe that they may control or even exterminate the other parent's involvement with their children, they may be encouraged to seek a divorce. From the perspective of the ex-spouse, the ideal situation may seem never to have to deal with the other parent again. From the perspective of the child, such a "solution" is inimical to their interests and desires. The gap between this false expectation and the other parent's continuing love for their child tragically fuels many custody and visitation battles each year.

I realize Congress is not ready to espouse co-parenting, particularly when strong lobbying groups have issued the call to support sole maternal custody regardless of the cost to the child's relationship with their father. But you ought to realize the value of two parents to children in all but the rarest situations.

2. SUPPORT COMPLIANCE INCREASES WHEN ACCESS IS ENFORCED. At the very least, you should require that all states adopt a Michigan-type "Friend of the Court" System. Michigan is the only state with staff, statewide, to help parents informally resolve custody, support and visitation problems out-of-court. Michigan officials credit this

staff, plus Michigan's balanced laws for families of divorce, with the fact that Michigan collects more child support than any other state--$8.33 collected in support for every dollar spent to collect.

3. ENFORCE ACCESS ON A FEDERAL LEVEL. Our National Council appreciates the $5 million S. 1511 and H.R. 1720 provides for access (visitation) model demonstration projects, funds inserted in these bills at our request. But this is only a drop in the bucket. We can't provide 1/5 of the child support offices in America with even one staffer per county for $5 million per year. And they certainly won't have any enforcement power such as the "Friend of the Court" staff has in Michigan to investigate custody and visitation orders. Staff would only mediate.

In Prince George's County, Md., visitation staff was hired at our National Council's request. They report after one year an 80% success rate in resolving visitation complaints, whether filed by the custodial or non-custodial parent, an average settlement time of 1 hour, 37 minutes, at an average case cost of $15.00.

S. 1511 provides for demonstration projects for two years, and requires performance evaluations at the end of the two years. The House bill provides funds for 3 years with no comparable performance evaluations. So few counties or states involved for so short a time make the Senate bills' evaluation requirements unrealistic. If you must allocate only $5 million per year, the House version is for a longer period and more realistic in its expectations. The best approach is $40 million per year with no time limit for this process--a small amount of money that can go very far in helping children.

4. WHY REQUIRE PAYING PARENTS--TO PAY? We know you want to help children, but the requirement for immediate mandatory wage withholding for all parents, is not the way to do it. Whenever we explain to people that there is already a law, P.L. 98-378, passed in 1984, to provide wage withholding for parents who are delinquent in support, and that this new bill would only apply to parents who pay all their child support on time, people can't believe us. It is costly and ineffective to require parents who pay their child support directly to the other parent to pay it through the government. The state will then write a check to the custodial parent, and collect a fee from the U.S. government for this service.

That is what this bill would require. And that is why some states like this provision. It means a guarantee of millions of dollars of sure money--money which is paid in support--flowing through state coffers. Not only millions of dollars that the states don't now have, but millions of dollars in extra incentive payments from the federal government for collecting money that would be paid directly to the other spouse anyway.

This is not support payments from the unemployed, or welfare people--you can't put welfare people or the unemployed on wage withholding. They have no wages to withhold!

This immediate withholding assumes guilt before innocence, and will give kids the impression that the state is supporting them--because that is where the check is coming from. In Virginia, a prototype child support computer system has been roundly criticized by HHS for causing incredible delays in getting money to the right address.

Let's first study how the 1984 law is working, a survey HHS has commissioned, before we add on an unnecessary layer of government intervention. We submit that making everyone pay support through the government also runs afoul of the President's Executive Order on the Family issued Sept. 2, 1987. That order essentially says if the family can perform a certain function, let it do so. If parents are paying support, leave them alone.

The provision that would allow parents to work out direct payment plans is not realistic. Given the anger and upset that accompanies most divorces, most parents will not be in a frame of mind to agree to allow the other parent to make or to continue making direct payments, and the states will have no financial incentive to encourage them to do so. Other reasons against having all child support flow through the government is given in Vol. 3, No. 1 of our NCCR Newsletter, which was delivered to all Senate offices on February 1, 1988. Additional copies are available upon request.

5. CHILD SUPPORT GUIDELINES. S. 1511 would make state child support guidelines mandatory for judges to impose unless there is good cause not to. It is premature to make them mandatory now, when many states are still struggling with basic guidelines. There is still not one study of the costs of raising a child of divorce (although we have at least five studies, with widely varying figures of costs within marriages). There is also no accountability for how child support is spent, in S. 1511.

Many states are trying to change the historic principle of having each parent pay a portion of the reasonable costs of raising the child. Instead, they are going with an income shares or income equalization approach. We understand that some people think it is unfair that alimony has lost favor in this country. We agree that women over 40 with inadequate job skills especially need spousal support. But this is no reason to abandon the reasonable costs tests. Not everything that bears the name "Child support" is necessarily related to child support merely because it bears those magic words. State legislators should also look skeptically at proposals which take a percentage of gross rather than net, and which do not figure in the non-custodial parent's costs when the child is with that parent. The House bill calls for a study of the costs of raising children of divorce, but the Senate's bill doesn't. That study should be made!

6. TAX BREAKS. There are four tax breaks that flow to a custodial parent. They are: the exemption for the child; child care costs; favorable head-of-household IRS treatment; and tax-free child support income to the recipient. There are no tax incentives for a non-custodial parent. You should at least allow a deduction for child support that is actually paid. Payments can be proven by receipts or cancelled checks.

7. FEW "NON-CUSTODIAL" PARENTS ARE "ABSENT" PARENTS. We also renew a suggestion we made a year ago before Senator Moynihan's subcommittee that you replace the words "Absent" parent as used in federal child support legislation with the words "Non-custodial" parent. This latter term is used by the courts, and should be used by you--except in instances where a parent truly is missing. The right language might help you to focus on the right issues.

8. INTERSTATE COMMISSION. Both the House and Senate bills require the establishment of an interstate commission on child support. The House requires that custodial and non-custodial parents be members of the commission; the Senate makes no such requirement. We favor the House version, but would make it stronger, so as to include representatives of custodial and non-custodial parents' groups, and to permit the commission to consider the eeffects of interstate visitation on support.

9. THE CENSUS BUREAU SHOULD ASK FATHERS WHAT THEY PAY. Because the Census Bureau only asks mothers what they are receiving in support, and does not ask fathers what they pay in support, Welfare Professionals are raising the possibility that lawmakers and the media are being fed false or misleading data. This matter could be cleared up if the Census Bureau were to be asked to poll fathers on what they pay in support, as well as to ask mothers what they receive. Please make this request immediately--an informal request from this committee might be enough to get this question included on the 1988 Census Bureau form, which is now in the works.

10. PERMIT RETROACTIVE MODIFICATION OF CHILD SUPPORT ORDERS--IN HARDSHIP CASES. A few years ago Congress passed a provision, with no hearings and as a rider onto another bill, P.L. 99-509, totally prohibiting state judges from retroactively modifying a child support order. No wonder, when I testified before a Maryland legislative committee recently, state officials criticized this as a poorly drafted law. In Maryland, they have hearings on every bill, and no bills are attached as riders to other bills. In this respect at least, Congress ought to take a leaf from my state of Maryland.

If that bill had created a "rebuttable presumption" against retroactive modification, that would have been reasonable. But an outright ban reduces judges to automatons and creates incredible hardship. We know of a case where a woman has received support, but then the couple resumed living together, with the man supporting the family. Later, there was a second separation, and the woman demanded and got support for the time when the couple was living together, because of that original support order. The couple didn't know they had to go court for modification of the order. In other instances, there is a support order, but later, there is an informal exchange of custody, with the child going to the father. Years later, the woman applies for and receives support for the time when the child was living with the father. A simple change in this law--to "rebuttable presumption" against retroactive modification, would serve Congress's intent, without denying equitability in specific cases.

11. PAYMENTS TO 2-PARENT FAMILIES. The provision in S. 1511 that would permit cash payments for 2-parent families in need, where the primary breadwinner is unemployed or underemployed discourages family break-up. We respectfully ask that Congress apply the same 2-parent emphasis to its child support provisions.

An emphasis on maintaining two parents for children of separation and divorce will provide more incentives for payments, better parenting, safer streets, and help a generation of children from becoming children at risk.

Thank you.

84-181 O - 88 - 5

Prepared Statement of Reginia S. Lipscomb

Mr. Chairman, my name is Reginia S. Lipscomb, and I am Commissioner of the West Virginia Department of Human Services. I would like to share with you some of West Virginia's experiences with the Community Work Experience Program. I believe this information will be helpful during your discussions on welfare reform legislation and will provide a different perspective on the value of workfare programs.

The Community Work Experience Program (CWEP) or workfare, the requirement that recipients of public assistance perform public service duties in exchange for their welfare benefits, is a controversial concept.

Opponents will argue that the program exploits welfare recipients, that the work performed is menial and does little to enhance the employability of the participants. Another common argument is that the program results in loss of jobs because regular salaried employees are displaced or replaced by CWEP participants.

The Omnibus Reconciliation Act of 1981 restored to states the authority to operate work relief programs. At the same time, West Virginia was faced with an increased number of individuals receiving public assistance as a result of unemployment. In addition, federal budget cuts were implemented which resulted in a sharp decrease in the capability of states to aggressively develop and deliver employment service programs. In response to this need, West Virginia sought alternative methods of providing meaningful programs at minimum cost.

As part of this initiative, the CWEP program became operational on a statewide basis under the State's WIN Program in January 1982. Participation in the CWEP program was and continues to be limited to public assistance clients in the Aid to Families With Dependent Children (AFDC) category.

From a modest beginning in January 1982, when the program was implemented as a pilot program with 2,000 participants through today, approximately 36,000 individuals have participated in CWEP. Throughout the six year history of the program, CWEP has always been secondary to placement into other employment or training activities, such as direct entry into unsubsidized jobs, on-the-job training, and classroom or skills training situations. More than 10,000 public assistance recipients entered full or part time employment this past program year. An average of 5,000 individuals currently participate in CWEP each month.

Although CWEP provides highly valuable public service functions through its public and private non-profit sponsoring agencies, this is not the primary purpose of the program. Rather, it is West Virginia's view that CWEP should be used as one method of moving an unemployed individual toward the goal of self-sufficiency.

It is our belief that a record of recent successful work activity enhances the employability of CWEP participants and is one of the most important functions of the program.

Work assignments for participants go far beyond minimum level jobs and are clearly meaningful in scope rather than menial. We have over 100 separate job functions being performed by CWEP participants. Some of the skilled and semi-professional occupations in which CWEP participants receive work experience are fire and police dispatcher, teacher's aide, recreation director, painter, cook, water treatment worker, library assistant, and carpenter.

A monthly record of attendance and a written evalution of work performance is maintained by the sponsoring organization. These attendance records and work performance evaluations are made available to the client to use in his or her independent job seeking efforts. When appropriate, the sponsor is asked to write letters of recommendation for individuals supervised.

Because the first priority of our employment and training efforts for West Virginia's public assistance clients is unsubsidized employment, CWEP is not an automatic assignment for every work registrant. A thorough assessment of the employment potential is made along with a survey of job openings in the immediate labor market area before determining that CWEP is appropriate for a particular individual.

Depending on the needs of the client, alternatives to CWEP placement might be a period of job search, referral to vocational training, or enrollment in other employment or training programs.

The CWEP program may also be used to permit the exploration of occupational interests, aptitudes and abilities. Clients who have limited hope of returning to their former occupation may be resistive to retraining. Exposure to other occupations through CWEP has been most useful in helping clients accept training for other jobs.

One of the more gratifying aspects of the program is general acceptance of the work requirement by the public assistance clients. We expected the program to be popular with the public, legislators, sponsoring organizations and the media, but did not anticipate the degree of acceptance from those required to participate. Although we have a sanction policy, it is rarely used. In fact, many clients have requested placement in the CWEP program.

A contributing factor to this acceptance is West Virginia's strong work ethic and a long and positive tradition of work programs.

Comments from participants in the program indicate they feel they are earning their public assistance checks and contributing something to their communities. Participation in the CWEP program has allowed public assistance recipients to maintain a sense of dignity and self-esteem.

Local TV stations have praised CWEP as a welfare program that preserves the dignity of the recipient and gives them the opportunity to contribute to the community. News coverage of the program has regularly highlighted client acceptance of CWEP.

We have received numerous letters from sponsoring agencies outlining the virtues of the program and complimenting the quality of work of the participants. The program has done much to dispel the myth that people on welfare are lazy and don't want to work.

For a variety of social, economic and historic reasons, work programs for the disadvantaged have been popular and successful in the State. In essence, all indications would tend to support the hypothesis that CWEP does indeed serve the employment needs of clients through work exposure. It meets the needs of the community through the provision of services to all citizens of the state and the needs of the agency are met through maintaining a valuable service program for both clients and the community.

The Community Work Experience Program in West Virginia appears to be making a positive contribution at this time and does what it was designed to do--provide meaningful work experience situations for those unable to secure immediate employment.

CWEP is not a substitute for other employment & training activities, but rather another method to prepare individuals for employment by providing work experience which will build acceptable work habits and maintain or develop work skills.

Some of the proposed welfare reform legislation permits CWEP only if it is combined with formal training. CWEP, however, is not intended to be a formal training program. Although most CWEP participants report acquiring new skills from their work experience assignments, it is unrealistic to require training with every CWEP assignment. Specifically designed programs such as on-the-job training and classroom training should be used to provide formal training. Many CWEP participants are already adequately trained but may encounter delays in locating employment. Participation in CWEP provides a period of positive work history and eases the stigma of welfare dependency.

Time limits on CWEP participation have also been proposed with a maximum of six (6) months most commonly suggested. Additionally, criteria governing selection of individuals for assignment to CWEP would place further restrictions on states ability to deliver programs which will best meet the need of their citizens. While there may be merit to establishing time limits on CWEP participation, imposition of a six (6) month time limit restricts the contribution a work experience assignment may make in reducing welfare dependency.

We have resisted imposing a time limit on CWEP participation in West Virginia. Instead, we have relied on regular assessment of each individual's circumstances to determine the appropriate length of CWEP assignment.

We often work with the sponsoring organization to secure full time employment for CWEP participants. Extending the CWEP assignment a few months can make a critical difference when the sponsoring organization makes a realistic offer of employment. Participants may also benefit from an extended CWEP assignment which produces satisfactory job performance and positive references for prospective employers. For these reasons, we should not be required to terminate every CWEP assignment at the end of six months.

I do not believe that the answer to effective alternatives to our existing welfare system can be found in strictly prescribed federal policies. Effective welfare reform policy must include flexibility for states to design employment and training programs which will be responsive to their unique situations. Resources vary greatly from one state to another and economic conditions, geography, availability of transportation and child care impact program design and effectiveness.

West Virginia has traditionally taken advantage of opportunities to operate creative employment and training programs for public assistance recipients. National welfare reform legislation should establish a framework that will permit the continued use of this creativity. Changing our existing system from one which promotes welfare dependency to one which provides strong incentives for work is a difficult task and there is not a single solution which will prove effective for every state.

The CWEP program which operates in West Virginia differs in design from programs operated in other states. West Virginia's program can not be expected to produce the same results in other states and should not serve as an exact model for duplication. It

has and does work for us because it was developed to be responsive to the particular circumstances in our State.

I trust that the information I have shared with you today has been helpful in identifying the merits of a CWEP program. It is clear that the program has contributed to the employability of public assistance recipients in West Virginia in these four important ways:

It maintains and establishes acceptable work habits.

It offers continued exposure to the labor market.

It preserves the dignity and self-esteem of participants.

It provides for the contribution of valuable public service work.

For these reasons, I urge you to include in any national welfare reform legislation you enact, the authority for states to control the design and development of employment and training programs which will be responsive to the particular needs of its citizens.

Mr. Chairman, that concludes my testimony. I will be happy to respond to questions at this time or will provide more detailed written material for review by this Committee.

PREPARED STATEMENT OF JIM MATTOX

MR. CHAIRMAN AND RESPECTED MEMBERS OF THE SENATE FINANCE COMMITTEE:

Let me say that I believe the failure to pay court-ordered child abuse is a very real and tragic form of child abuse.

So I am pleased to have this opportunity to underscore my support for this proposed legislation, which recognizes the fact that child support enforcement is the cornerstone of any serious attempt at welfare reform.

History tells us that the phrase "Women and Children First" originated on the night of April 14, 1912, when the Titanic went down in the icy waters of the Atlantic.

We are told that women and children were first that night. First to be lifted into lifeboats. First to be rowed to safety. First to be evacuated from that great ship, which was said to be unsinkable.

What we are not told, however, is that those women and children were traveling first class. Back in steerage, the vast majority was held back - some of them at gunpoint. Half of those women, and 70 percent of their children, went down with the ship that night.

Today, women and children are still first - first to fall into the gulf of poverty.

We live in a nation that is said to be as unsinkable as the Titanic. Yet, far too many of our women and children are still traveling in steerage. For them, the daily reality is: Women and children last - because there are simply not enough lifeboats to go around.

Mr. Chairman, as one who has been on the frontlines of this battle for years, I wish to propose a number of improvements to strengthen the proposed legislation.

GENERAL RECOMMENDATIONS

My first three recommendations fall outside of the area of child support. The first, I know, is rather controversial. But I believe that it speaks to the heart of the problems over which you are hoping to gain control with this bill.

1). We will never gain such control unless we come to grips with the numbers of unplanned children or children born to those who cannot afford the costs of raising them. This issue must be addressed, regardless of how controversial it appears. Very clearly, incentives can be provided through the AFDC financing mechanism to require the states to establish birth education programs. The problem is not so much the first birth to an AFDC family but the multiple births that take place, requiring the taxpayers of the nation to subsidize these family units.

I recognize the limited jurisdiction of this committee. But financial incentives can be attached to the AFDC program to bring about this much needed reform.

2). The second recommendation I offer deals with child care. While I believe it is a step in the right direction to reduce from age six to age one the time when an AFDC recipient is required to participate in job training or educational programs, a more appropriate standard would be the average time it takes for women in private employment to return to work. I know that this, again, is a controversial area. But the public will admire and respect your courage in attempting to set a more realistic age level.

3). In addition, I recommend the establishment of experimental child care programs in existing elementary school facilities to be operated by

additional staff. They should open early, for those children whose parents must be at work before the start of school, and they should remain open late, allowing parents who must work beyond the end of the school day to pick their children up on the way home.

These facilities should also operate during summer vacations and other times of the year when parents must work even though their children are out of school. During those periods, additional educational programs should be developed and offered to the children.

I urge you to provide a provision for making funds available for demonstration models of this program throughout the United States.

SPECIFIC CHILD SUPPORT RECOMMENDATIONS

On the topic of child support, Mr. Chairman, I submit that the most significant improvement that can be made is to shift the burden for collecting child support from the custodial parent to the state. Once an initial complaint is filed pertaining to the failure to collect child support, the state must bear the obligation to collect child support on an ongoing, regular basis.

1). Each state must be required to monitor all voluntary or involuntary child support payments that are made. At a minimum, this will provide accurate record keeping on the number of child-custody awards, the amount of wage assignments ordered, and the amount collected. Each jurisdiction, and the states in general, will then be held accountable for meeting federal guidelines on the levels of child support they award. This is not only in the best interests of the children, but it is the law in Texas; it should serve as a model for the entire nation.

2). Every divorce decree involving a child custody judgement should contain a wage assignment provision. It is my view that such wage

assignments should take immediate effect, unless both parents request otherwise, and upon a finding by the court based on evidence, that it is not in the best interest of the child to order wage withholding.

3). Once an arrearage occurs for any reason, and upon a complaint by the custodial parent to the IV-D agency, it then should become the responsibility of the state to collect child support payments - rather than placing the burden of subsequent complaints on the custodial parent. This is particularly useful in the case of self-employed non-custodial parents. Mr. Chairman, with regard to federal formulas for reimbursing the states, I propose two improvements.

1). As Attorney General, I run the child support program in Texas. And we have been working hard to strengthen our efforts. In FY 1983, the year before my office took over the program, $18 million was collected on a caseload of about 180,000 cases. Last year, we collected more than $70 million - an increase of nearly 300 percent - on a caseload of 320,000 cases. The cost effectiveness of this program (total dollars collected per administrative dollars spent) more than doubled, from $1.19 in FY 1983 to $3.04 in FY 1987.

But there is a problem. In my state - and in many others - the state legislature has taken it upon itself to seize a large portion of the earned revenues and federal bonuses we receive from our IV-D programs, and has diverted that money to other purposes. We are talking about $13 million last year in Texas alone. That represents about one-half of our total child support budget. If the state legislature had reinvested that money in child support programs, the $13 million would have helped us qualify for a higher federal match. The result? A doubling of our budget.

In addition, we are currently able to effectively work only about 30 percent of our cases in Texas. During the last quarter of 1987, more than fifty-nine

thousand new cases were filed with our agency, and we are currently receiving an average of ten thousand AFDC referrals each month. If we doubled our budget in the manner I describe, we would also double the number of cases we can adequately work - and collect on.

My proposal, therefore, is that this bill should mandate that all revenues and all federal reimbursements for child support enforcement must be plowed back into child support enforcement - and not siphoned off to help balance the budgets of other state agencies.

2). The cap on incentives for non-AFDC cases should be removed. There is an overwhelming demand placed on state agencies by these non-welfare cases. Some states have simply failed to help non-AFDC clients because they receive no incentives in return. But statistics show that, in Texas, we have put more of our resources into non-AFDC cases than nearly any other state. And, as a result, our program is out of balance. In FY86, most states had non-AFDC caseloads of under thirty percent; in Texas, the figure is currently close to sixty percent. For every two paying non-AFDC cases, the Texas IV-D program can boast only one paying AFDC case.

Consistent with this argument, I further submit that Texas receives nearly 8.5 percent of the nation's incoming URESA cases (only two states have a higher percentage). Fifteen percent of collections in Texas are made on behalf of other states, while the nationwide average is only seven percent. Therefore, if Congress is unwilling to eliminate the cap on non-AFDC collections, it should at least allow for an incentive - over and above the existing cap - on non-AFDC money collected on behalf of other states. In FY86, for example, Texas collected over $5 million in non-AFDC payments on behalf of other states, and obtained no incentives for this money.

Mr. Chairman, during the years that I have run the child support program in Texas, I have seen ample proof that children without childhoods are a frightful sight.

I urge you and the members of this Committee in the strongest possible terms to expand this proposed legislation to include the above recommendations.

The important work you have done in this area has brought us close to our common goal. It must not now be allowed to fall short of that goal: to ensure that women and children really do come first.

PREPARED STATEMENT OF GERALD W. MCENTEE

Mr. Chairman, my name is Gerald McEntee, and I am president of the American Federation of State, County and Municipal Employees (AFSCME). I am testifying today on behalf of AFSCME and the AFL-CIO, of which I am a vice president.

AFSCME represents one-and-a-half million state, county and city employees across the country. Over half of the union's members are women, with more than 60 percent of them earning less than $20,000. Many AFSCME members work directly with poor and disadvantaged families. They are social workers, employment counselors, teacher aides, and Head Start employees. All of our members have had experience with work activities in employment and training programs.

Our union has devoted a great deal of time this past year to seeking the adoption of welfare reform legislation that will offer welfare recipients a real chance to escape poverty, while not jeopardizing the economic security of the people we represent.

We made considerable progress toward this goal in the House with H.R. 1720, which came out of three committees under the stewardship of Congressmen Harold Ford (D-TN), Tom Downey (D-NY), Gus Hawkins (D-CA) and Henry Waxman (D-CA), with the support of the Democratic leadership. While not going as far as we would like it to, the House-passed bill carries welfare reform about as far as it can, given today's fiscal limitations. If it becomes law, an important step will be taken toward true "welfare reform".

The House bill carefully balances the need for state flexibility with basic federal constraints that protect welfare recipients and their children. It provides states with the flexibility to design their own employment and training programs for welfare recipients -- tailoring their programs to their particular economic circumstances. At the same time, the bill's basic federal protections would require states to meet certain federal standards for eligibility and benefits, prevent the displacement of regular employees by welfare recipients in work programs, and protect welfare recipients from mistreatment while they participate in work programs.

Unfortunately, S. 1511, introduced by Senator Daniel P. Moynihan, takes the notion of state flexibility too far, placing many of our nation's poor at unnecessary risk. We

oppose S. 1511 because we strongly disagree with the fundamental premise of the bill--that the protections and relief offered by the federal government to the poor and the powerless should be minimized in favor of the political vicissitudes of the 50 states.

This philosophy is at the heart of the waiver authority in Title VIII. The waivers would create state block grants erasing the federal protections for poor children and their families established by Congress after considered debate over a 50-year period.

This block grant plan could jeopardize both individual eligibility and client appeal rights under Aid to Families with Dependent Children (AFDC). It would allow states to ignore the protective provisions of the 1980 Child Welfare and Adoption Assistance Act and reduce the chances for many children to have a stable family life. It would allow states to use Title XX funds for child care that does not meet state and local standards. The states even could ignore the new child support rules established elsewhere in the bill. They could disregard any rules or standards established in the Job Opportunities in the Business Sector (JOBS) program, and they could impose new work requirements on classes of people not presently affected. They also could ignore the provision requiring them to establish an AFDC-Unemployed Parent program.

Under this block grant plan, states would be able to transfer funds from one program to another, setting off struggles in the state legislatures that could pit the old against the young, the homeless against the disabled, and state interests in minimizing costs against everyone.

In adopting the block grant concept, S. 1511 plays into the White House strategy of weakening and eventually destroying many of the remaining domestic programs for low-income and working families.

From the beginning of the Reagan Administration, the call for local control and experimentation has been a guise for those seeking to gut domestic programs by turning them back to the states. Under a block grant strategy, states will use the funds in different ways, so that the purposes and constituency for the program become diffused. Political support will weaken, making the program very vulnerable, especially in an era of budget deficits. Revenue sharing, the ultimate in state flexibility, is a good example. It took its first loss in 1980 and finally died in 1986, even though it was one of the most universal of all of the federal domestic assistance programs.

We at AFSCME deal with governors and state legislatures day in and day out. The issue is not whether or not they are creative. Some are and some are not. The real issue is whether we will set in motion a process that will strip Congress of its proper

policy-making role and complete the Reagan revolution even after the Reagan presidency ends.

We strongly urge you not to proceed down the road of broad waiver authority. AFSCME welcomes experimentation and would be happy to work on ways to encourage state flexibility with the proper balance of federal accountability. But let's not jeopardize these programs or their very vital protections.

Minimizing federal involvement is the operating principle in the JOBS programs as well as the waivers, a major exception being expanded mandatory work requirements. S. 1511 enlarges the number of people subject to the work requirement, but the estimated federal funding would be lower than the 1980 Work Incentive Program (WIN). The estimated $300 million for the JOBS program will not provide the comprehensive and intensive services welfare recipients need. In addition, the lowered matching rate for amounts above $140 million discriminates against the less wealthy states.

S. 1511 also lacks an important element in H.R. 1720 that requires states to offer a broad range of education and training services. We agree that flexible federal funding authority is needed to address different individual needs, but we do not support the kind of flexibility that permits the states to rely on only one activity, such as workfare, for everyone.

We firmly believe that S. 1511 will create additional pressure on states to rely on lower-cost services such as job search and workfare. Recent research by the General Accounting Office (GAO) indicates that currently these are the most commonly used activities. The reduction in federal funding over the last eight years has made such low-cost services the only real option for the states.

Many states will feel more compelled to use workfare (the Community Work Experience Program, or CWEP) because S. 1511 creates additional pressure to serve more people, in a program which must be statewide, but which will be underfunded. In this atmosphere CWEP becomes the easy way out, especially where higher unemployment means a scarcity of jobs. Furthermore, the imposition of participation quotas and efficiency-based funding, as proposed in S. 1655, introduced by Senator Robert Dole, would guarantee such a result.

Even if there were no additional pressures resulting from S. 1511, the current CWEP situation is unacceptable. Since the Gramm-Latta law swept through Congress in 1981 carrying CWEP with it, 27 states have adopted some form of CWEP program. Workfare has become the public service jobs program of the 1980s in places like Michigan, West Virginia, Pennsylvania and New York.

Workfare is bad public policy because it overshadows the need to provide training and education services required by many unskilled welfare recipients. Indeed, workfare retards movement off welfare because recipients have a harder time looking for work and employers frequently seek to retain "good" workfare workers without giving them employee status.

From a labor force perspective, workfare has a job displacement effect similar to that of the youth subminimum wage or outsourcing, in which higher-paid jobs are replaced with cheaper labor. Workfare provides workers to public and nonprofit employers at substandard "wages" and without benefits. In fact, it goes further because the employer has no employee costs.

Documenting this displacement of the regular workforce by free CWEP workers is difficult. As Beverly McDonald from the Michigan League of Human Services recently wrote about the Michigan program:

> "It is very difficult to establish a direct link between the loss of regular unsubsidized positions in the paid workforce and replacement by CWEP workers, primarily because 80 percent of CWEP slots were formerly CETA slots . . . . In sum, what the CWEP program may have done is displace a climate in which it was assumed that a governmental, school or nonprofit employer had to pay to get floors swept, phones answered, and letters typed just as any employer in the private, for-profit sector would." [1]

Workfare puts our union in an untenable position. The courts have repeatedly rebuffed our efforts to represent workfare workers and secure for them the rights and benefits which our members have achieved through collective bargaining. At the same time, workfare jeopardizes the integrity of those very rights and benefits.

We support federally subsidized work opportunities for the unemployed and disadvantaged as long as the subsidized workers have employee status and are treated equally. In addition, the displacement of regular jobs must be sharply limited, if not eliminated. We find it intolerable that in Michigan a person can go from being a $13,000 county dogcatcher to a $9,000 CETA dogcatcher to a $6,000 CWEP dogcatcher.

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[1] September 2, 1987 Memo to Alan Houseman, Director, Center for Law and Social Policy.

It also is unacceptable that in Michigan, the CWEP program increased to over 11,000 participants per month during the economic downturn from 1981 to 1983, while regular paid public employment declined by more than 15,000. In New York state, 54,000 general assistance and over 11,000 AFDC recipients were forced to work off their grants in 1986. At the same time, the state has failed to legislate any limitations on CWEP, and we fear further expansion of the program if the economy turns downward. With so many welfare recipients in workfare, either substantial displacement already is occurring or the workfare workers are not being assigned much useful work.

CWEP and work supplementation are both forms of federal job creation. So was the Comprehensive Employment and Training Act (CETA) in the 1970s. The main difference is that, flawed as it might have been, CETA required that participants have employee status and be treated equally with other workers. They received the same wages and benefits, including health and safety protections, health insurance, sick pay, vacation credits and access to grievance procedures. CETA also had protections against displacement of paid jobs, with union comment requirements to help enforce them. Most of the CETA standards were incorporated into the Job Training Partnership Act.

We were very pleased that the House bill, H.R. 1720, rejected the idea of an unlimited program of recipients working off their grants without employee status. While we would have preferred that CWEP be repealed, we think that the limitations imposed by the House will convert CWEP into a useful program of training and short-term work experience, while minimizing the program's displacement effect. These restrictions in H.R. 1720 include a time limit on participation, a prohibition on reassignments, and requirements for training and equal pay.

In addition, the House agrees that subsidized employees working beside regular employees, doing the same work, should be paid the same rate of pay. To do otherwise results in a double standard in which welfare recipients in the JOBS program have less protection than welfare recipients in Job Training Partnership Act (JTPA) programs, which must follow the equal pay rule. This means there will be considerable disparity in opportunities and rights among welfare recipients throughout the country.

Except for some limited anti-displacement rules, S. 1511 omits all of these standards. In so doing, it rejects the idea that along with the authority to use federal dollars should come obligations to assure equal treatment and to protect the existing unsubsidized labor force from negative consequences that otherwise would not occur.

S. 1511 falls short in other ways. It fails to improve the earnings disregards and earned income tax credit to remove work disincentives, it contains no adequate

guarantees for child care arrangements that are both decent and safe; it ignores the many individuals on welfare who cannot work, and it gives the states no incentives to increase their payments.

In all fairness, however, S. 1511 does make some important improvements. It mandates the unemployed parent program, strengthens the child support system and establishes some modest transitional medical and child care subsidies for recipients securing work. But even these gains could be erased through the waiver authority.

Most disappointing, perhaps, is the JOBS program. It is now generally agreed that a comprehensive array of education, training, and support services is necessary to achieve the basic objective of helping welfare recipients become self-sufficient.

However, there is little new in S. 1511 for the many recipients who want to become full-fledged members of the workforce. Indeed, S. 1511 may cause additional hardships. The funding entitlement is estimated to provide less federal support than seven years ago. S. 1511 requires that mothers with children as young as one year of age leave their homes with no guarantee of decent child care. It also lays the foundation for greater disparities among the states in terms of resources, opportunities, protections, and standards. It does little to assure that additional states will offer the comprehensive employment and training services recipients really need.

Unfortunately, the reality of S. 1511 does not match its rhetorical goals. Both S. 1511 and S. 1655 offer little more than a distasteful recipe for dashed hopes and disillusionment. If S. 1511 does indeed represent the best that the Senate can do, then the deck is stacked too heavily against the passage of legislation that will really help poor families and children. No reform is better than the reform offered in these bills.

We would urge the Committee, however, to give serious consideration to H.R. 1720. It is a thoughtful and more comprehensive piece of legislation than S. 1511 or S. 1655. It does not grant broad waiver authority; it adopts anti-displacement and critical equal pay for equal work provisions, and it limits the use of workfare. It has provisions that will encourage states to establish more comprehensive employment and training services, and it offers additional federal financial support. It gives children a better opportunity for decent care. And it provides some rewards for recipients who do work.

I greatly appreciate this opportunity to testify on the welfare reform proposals under consideration by the Committee. If you have any questions, I would be pleased to answer them at this time.

PREPARED STATEMENT OF SENATOR DANIEL PATRICK MOYNIHAN

We have it within our grasp to redefine the nation's primary welfare program for poor families with children. The House has passed its bill and this Committee is poised to act. As a January 29, 1988, New York Times editorial put it, we can transform the welfare system from a cash assistance program with an employment component into an employment program with financial assistance. It's about time!

That cash assistance program, Aid to Families with Dependent Children (AFDC), originally enacted into law as Title IV of the 1935 Social Security Act, has changed very little in the past half century. The rest of the world has changed dramatically.

Children are the poorest group of Americans. Today, one child in four is born in poverty. One in five lives in poverty. A quarter of all children live in single-parent families now, but 61% of children born last year will spend some time in a single-parent family before reaching age 18. Half of those children will require public assistance -- AFDC. Is this the future we want for one third of our children?

In fact, the Social Security Act has two provisions for the care of children in single-parent families. The first is AFDC. The second is Survivors Insurance (SI), added to Title II of the Act in 1939.

The majority of children receiving SI benefits are white; the majority of children receiving AFDC benefits are black or Hispanic. Is it purely coincidence that the SI program pays average monthly benefits ($339 per child) nearly three times as great as the average monthly AFDC benefit ($122 per child)? Is

it purely coincidence that SI benefits, which are automatically adjusted for inflation, rose by 53% (in constant dollars) between 1970 and 1987, while AFDC benefits were effectively cut by 13% over the same time period?

Coincidence or no, we have created an extraordinary institutional bias against minority children.

There is a lesson here. Programs for the poor become poor programs. And those who depend on such programs are stigmatized by them.

Our Family Security Act (S. 1511), with 56 bipartisan cosponsors, 13 of them on this Committee, would help to eliminate this stigma by strengthening the enforcement of parental child support and by expanding the work, training, and education programs that prepare poor parents to move from welfare rolls to payrolls.

Helping the poor to leave welfare for jobs is by no means a simple thing to do, but as the best social research demonstrates, it is eminently "doable." To begin with, the experts agree that most people rely on AFDC for short periods of time, likening the program to short-term insurance against loss of income due to unemployment or divorce.

According to Greg Duncan and Saul Hoffman, "A majority of welfare spells are short-term, lasting two years or less, while fewer than one-sixth can be thought of as long-term, lasting eight or more years. However, at any single point in time, half of all welfare recipients are in the midst of long-term spells." (Duncan and Hoffman, "The Use and Effects of Welfare:

A Survey of Recent Evidence," Social Service Review, forthcoming.)

It is the long-term users of AFDC that we must worry about. Most of the others will manage to leave welfare on their own.

Second, the excellent studies of work-training programs conducted by the Manpower Demonstration Research Corporation (MDRC) find that such programs show their best results with those participants who have had the least prior work experience. In other words, work-training programs should target those who need the most help.

Consequently, we must permit the states to develop their own work, training, and education programs. We must provide a stable federal funding source to assist the states in this endeavor. We should see that these programs target likely long-term users of AFDC. This is the recipe for success that the nation's Governors brought us at the outset of the 100th Congress.

I have often called our bill the Governors' bill. If the 100th Congress follows this recipe, mixing in our child support provisions, the extension of assistance to poor children in two-parent families, and transitional child care and medical assistance for poor families that work their way off welfare, we will succeed in improving the lot of our children.

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Lansing, Mich.

Victor Gotbaum
New York, N.Y.

Blondie P. Jordan
Orlando, Fla.

Edward J. Keller
Harrisburg, Pa.

Joseph J. Kreuser
Menomonee Falls, Wisc.

Faye D. Krohn
Kasota, Minn.

Marilyn LeClaire
Columbiaville, Mich.

George Masten
Olympia, Wash.

Joseph E. McDermott
Albany, N.Y.

William L. McGowan
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Donald G. McKee
Des Moines, Iowa

Jack Merkel
Trenton, N.J.

Russell K. Okata
Honolulu, Hawaii

George E. Popyack
Redwood City, Calif.

Bettye W. Roberts
New York, N.Y.

Earl Stout
Philadelphia, Pa.

Garland W. Webb
Baton Rouge, La.

Maynard White
Houston, Texas

February 3, 1988

The Honorable Daniel P. Moynihan
United States Senate
464 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Moynihan:

We have been following congressional consideration of welfare reform throughout the last year and would appreciate it if you could submit this letter as part of the Senate Finance Committee hearing record on welfare reform.

Thousands of our members work in social welfare and employment programs in New York State. They work in child care centers and welfare and employment offices and in child support enforcement and child welfare programs.

We were very pleased to see the House of Representatives support and pass H.R. 1720 under the stewardship of your colleague Congressman Tom Downey. We believe that H.R. 1720, while falling short of being comprehensive welfare reform, would help make life more bearable for many poor families and would give many poor men, women and children a chance to escape a life of poverty.

The House-passed bill contains a number of critical labor protection provisions which will make the employment and training program operate equitably. These provisions require equal pay for equal work with the same employer; prohibit displacement of regular employees and jobs by federally subsidized workers; and establish an enforcement mechanism in the Labor Department. They have been a vital part of other major federal employment and training programs, including CETA and JTPA. Last year we achieved similar and much more comprehensive protections in legislation approved by the New York State legislature and signed by Governor Cuomo which would create jobs for welfare recipients in public and nonprofit agencies.

While we are proud of our progress last year, we still have not been able to make any headway with the state's workfare program which has existed for more than 10 years for general assistance recipients and which is expanding into the AFDC population. There are literally thousands of welfare recipients working off their grants without receiving fair compensation for their labor throughout the state. The result has been a gradual displacement effect in which low skilled work, which used to be performed by paid employees, is now being done for free. The Civil Service Employees Association documented other problems with the program in a 1985 study. These included totally inadequate supervision, inappropriate assignments, and lost opportunities to move into permanent jobs.

The House-approved limitations on workfare are very important to us because they would stop New York localities from using AFDC workfare in an abusive way and would provide a model for our general assistance program. These limitations would allow for three months unpaid work assignments or, alternatively, a six-month assignment during which time the recipient would work off the grant at the locally established rate for the work and receive training. Reassignment would be prohibited in both cases. While we would have preferred a repeal of workfare, these provisions go a long way toward minimizing displacement and assuring that, where used, workfare is a legitimate part of a sequence of services leading to paid jobs and not a deadend.

We have been extremely disappointed that S. 1511 lacks these critical labor protections. We also are strongly opposed to any new federal waiver or block grant authority, such as that proposed in S. 1511 and S. 1655.

The rules and protections in the affected programs are very important. We believe some of the new rules in the child support provisions of your bill would be helpful. We do not want to give the states authority to ignore these rules, many of which were established in the first place because of a lack of action at the state level.

In addition, we are very concerned about giving the states authority to transfer program funds. This not only will set one group against another at the state level, but it also will set the stage for the eventual withdrawal of the federal government from these very necessary programs.

There are other weaknesses in S. 1511, one of the most important of which is day care. S. 1511 would make mothers of young children go to work, training or education without guaranteeing adequate child care. We can tell you without qualification that this will not work well in New York. We already have long waiting lists throughout the state for child care. In addition, day care costs much more than the reimbursement rates in the bill. As a result, many children either will be left alone or will be left in possibly unsafe settings. It is almost certain these children will not receive good developmental care.

We oppose both S. 1511 and S. 1655 because we cannot support any legislation which lacks the key labor protections and workfare limitations in the House bill and which contains broad waivers. In addition, we are concerned about the adequacy of federal financial support for employment and training, child care and medical care in S. 1511 to back up the more comprehensive work requirements.

If S. 1511 represents the best that the Senate can do, and if more funding reductions and broader waivers are likely, we think reform is better put off to another day.

Sincerely,

Stanley Hill
Executive Director
Council 37
New York, New York

William McGowan
President
CSEA
Albany, New York

Joseph Querino
Executive Director
Council 66
Syracuse, New York

Robert McEnroe
Executive Director
Council 1707
New York, New York

Raymond Nowakowski
Executive Director
Council 35
Buffalo, New York

Richard Bischert
Executive Director
Council 82
Albany, New York

Public Beliefs on Welfare Challenged

By Spencer Rich
Washington Post Staff Writer

Are welfare benefits so high they discourage work?

Do most people stay on welfare for eight or 10 years or more?

Do young women have babies just to qualify for welfare?

Is a tendency to go on welfare passed down from generation to generation?

Two leading figures in the national welfare policy debate addressed such widely held public beliefs about the welfare system last week.

On the Senate floor, Daniel Patrick Moynihan (D-N.Y.), making a pitch for his bill to revise the welfare system, showered the Senate with statistics challenging the notion that welfare benefits are excessively high and have grown rapidly over the past decade or so.

In 1970, said Moynihan, the average person on Aid to Families with Dependent Children (AFDC)—which has about 3.8 million women and more than 7 million children on the rolls—received a benefit of $110 a month, measured in 1986 dollars.

Sixteen years later, in 1986, that benefit, in the same constant dollars, had dropped to $122.

By contrast, Moynihan said, another public support system for children who have lost the support of a father—Social Security survivor insurance—rose from $222 month per child in 1970 to $339 in 1986, measured in constant dollars.

Noting that most children who receive Social Security survivor benefits are white, while the majority of those who receive AFDC are black or Hispanic, Moynihan told the Senate, "We have created an extraordinary institutional bias against minority children." He added in an interview, "Built into our Social Security system is discrimination between majority white children growing up with one parent and minority black children growing up with one parent."

"We have created an extraordinary institutional bias against minority children."

— Sen. Daniel Patrick Moynihan

In an article in Science magazine, Greg J. Duncan of the Institute for Social Research at the University of Michigan, with colleague Martha J. Hill and Saul D. Hoffman of the University of Delaware, summarized some of the findings from various welfare studies and from his pioneering longitudinal studies of income in welfare families.

Contrary to a widespread belief that many people stay on welfare almost forever, Duncan and his coauthors said that of all people on AFDC, about 30 percent receive welfare for one or two years, 40 percent for three to seven years and only 30 percent for eight years or more.

Welfare does have some inhibiting effect on work, reducing work effort for female heads of families 150 hours a year on average, according to one recent study, Duncan and his colleagues wrote.

They said a recent comprehensive study suggests that the "amounts of AFDC payments have no measurable impact on births to unmarried women, and only a modest effect on rates of divorce, separation and female head-of-household status."

One finding addresses the popular notion that welfare dependency is handed down from generation to generation.

Based on a 19-year study of the fortunes of representative families, Duncan and his coauthors reported that in families that had not been dependent on welfare while the child was growing up, 91 percent of the daughters were not on welfare when observed later at the ages of 21 to 23.

Where the parents had been moderately dependent on welfare while the child was growing up, 62 percent were not on welfare when observed at the same ages.

Even where the family had been highly dependent on welfare when the child was young, 64 percent of the daughters were not on welfare when observed at ages 21 to 23.

The House passed its welfare overhaul bill, the Family Welfare Reform Act of 1987, on Dec. 16 after weeks of controversy and lobbying by Democratic leaders. The five-year, $5 billion measure would convert AFDC into a program that places adult participants in education and job training programs while providing benefits to their families.

Moynihan's measure, which will be taken up by Senate panels this year, is expected to cost about half as much as the House bill because it does not attempt to increase welfare benefits. Like the House bill, it would create mandatory education, work and job training programs. It also includes several provisions aimed at children's needs.

The New York Times, January 29, 1988

Welfare 'Rights' vs. Children's Rights

Supporters of welfare rights assail as "punitive" child support provisions in Senator Daniel Patrick Moynihan's constructive welfare reform bill. The criticism is shortsighted. The support provisions are essential to a plan that could put unemployed fathers to work and help repair broken families.

As the Children's Defense Fund sensibly said in a recent report, every child has a right to be supported by his parents "to the fullest extent possible," and society has "a responsibility and a self-interest in helping protect and enforce that right." The lack of child support discredits the welfare system with the public and limits efforts to impress upon young men their responsibility for avoiding teen-age pregnancies.

Promoters of welfare rights respond that automatic wage withholding and greater efforts to establish paternity are absurd when the absent parents of most children on welfare are men without jobs, skills or prospects. Research is raising doubts about that, but even if they are right, this criticism ignores two other important provisions of the Moynihan Family Security Act.

One would require all states to make welfare available to two-parent families when the breadwinner is unemployed. At present, only 26 states offer "unemployed parent" benefits. Not offering them, however, creates an incentive for families to break up, as one parent, usually the father, leaves so the other parent and the children can qualify for aid.

The other key provision would make welfare assistance dependent on at least one adult in each welfare family accepting education, job training or public service employment. The welfare system would become an employment program with financial assistance instead of an assistance program with an employment component.

•

Welfare rights supporters, leery of the entire reform effort, have been fixated on what they consider "punitive" provisions. They fail to appreciate the larger design and purpose of "family security." The danger is not that tougher child support rules and work requirements might punish the needy, but that the bill might be enacted without one of the other essential provisions. The White House, for example, is dead set against the unemployed parent provision.

The House has already passed a reform bill but the momentum for welfare reform could easily be dissipated in the Senate. Some welfare rights advocates say they would prefer no bill. Before they try to kill this constructive proposal, they ought to try to understand it.

STATE OF NEW YORK
DEPARTMENT OF SOCIAL SERVICES
40 NORTH PEARL STREET
ALBANY, N. Y. 12243

CESAR A. PERALES
Commissioner

February 2, 1988

Dear Senator Moynihan:

Following our telephone conversation, I am happy to provide you with information concerning the use of workfare as part of New York's employment and training programs for public assistance recipients.

What most people refer to when speaking of workfare is the Public Work Program (PWP) for recipients of Home Relief, the State's general assistance program. PWP's origins date back to the Depression era, and the current statute can be traced back to 1942. The statute's catchline -- "Work Relief" -- reflects the notion of providing an opportunity for able-bodied but destitute people to labor in exchange for support at a subsistence level. The law itself speaks of persons being "required to perform such work as may be assigned to them." Such assignments were typically for unspecified duration, and unmitigated by any notions that they were intended to help people acquire skills with which they could ultimately secure unsubsidized employment.

PWP accounts for the vast majority of people enrolled "work relief" or workfare at any time. As of October 30, for instance, a total of 20,444 persons were in these types of programs, of whom 14,989 were in PWP. Of these 14,989 people, 8,759 were in New York City and the remaining 6,230 were in the rest of the State.

The remaining 5,455 were AFDC recipients participating in the Community Work Experience Program (CWEP), with the exception of a very small number (218) assigned to work experience through the Work Incentive (WIN) program. Of the 5,237 people assigned to CWEP, about five out of six (4,457) were in New York City, with the other 780 in the rest of the State.

While PWP is a dominant activity for Home Relief recipients it occupies a much less prominent place among the array of programs offered to AFDC recipients. Whereas 21.5% of the Home Relief population is involved in PWP only 4.6 percent of AFDC recipients are involved in CWEP.

The more sparing use of CWEP is consistent with its origins, which are very different from those of PWP. CWEP was introduced as a demonstration program, under statutory language seeking to provide opportunities "for the conservation of work skills and/or the development of new skills..." The statute also calls for "provisions...to permit (participants) to seek regular employment and/or to secure appropriate training or retraining opportunities which may be available." Consistent with statutory intent, CWEP's original design incorporated specific elements emphasizing the ultimate goal of securing unsubsidized employment and guarding against clients becoming locked into CWEP slots on an indefinite or long-term basis as is often the case with PWP. For each client, an employability plan was required, contemplating periodic review of the client's progress and the use of skills training, job clubs and other activities in addition to worksite placement. Special efforts are made to assure that assignments are not "make-work," and that supervisors understand their responsibilities to help clients acquire skills, experience and credentials that would help them become self-sufficient. There is also an effort to limit the length of time in a CWEP assignment. The average length of stay is three to four months. Also, whereas 5,455 AFDC recipients were in CWEP as of December 30, 1987, about 20,000 were actively involved in education and training programs.

CWEP is thus one, but only one, of the array of programs and services that we provide for employable AFDC recipients. These programs range from job development and job placement activities for those who are ready to approach the labor market, to skills training and educational programs for those who are not yet able to compete for jobs. We have made extensive efforts, with substantial success over the past several years to broaden the array of programs we offer our clients. The relatively minor role that CWEP plays in the spectrum of services for employable AFDC recipients reflects the success of our efforts in getting local program operators to look beyond the traditional kinds of workfare assignments. Passage of your legislation, S.1511, and enhanced federal financial participation will allow us in New York State to further our efforts in expanding education and training efforts so crucial to preparing welfare recipients for the work place of the future. It will also help us to continue to move away from the traditional workfare approach to real reform of the welfare system. As Chairperson of the Employment Committee of the American Public Welfare Association I know that my comments reflect those of many other states.

I look forward to our continuing efforts in this area. If you need any more information please call me.

Sincerely,

Cesar A. Perales
Commissioner

The Honorable Daniel P. Moynihan
United States Senate
Russell Senate Office Building
Room 464
Washington, D. C. 20510

FEB 02 '88 14:49 NYS DSS COMMISSIONER'S OFFICE P.3

PREPARED STATEMENT OF MARGARET PRESCOD

The following statement is for your endorsement. It summarizes testimony to be entered into the official Congressional Records on welfare reform, specifically the Family Security Act, Senate Bill 1511, commonly known as the Moynihan bill.

EVERY MOTHER IS A WORKING MOTHER

Proponents of Congressional welfare reform proposals claim to have the best interests of women and children in mind. In fact, just the opposite is the case. This statement aims to demonstrate some of the ways in which Senate Bill 1511, entitled the Family Security Act, as proposed by Senator Moynihan (D-NY), attacks not only women on welfare but all women. In fact, the Family Security Act is a policy not only on welfare but on race and gender. It sets the tone for how women and minorities are to be treated.

The main thrust of welfare reform as it is being discussed on a national and state level is workfare -- women being required to 'work' or participate in education and training programs in order to get their welfare check -- in other words, forced labor. It is said again and again that women should be working, they must earn their way. What policy makers are not discussing is that women are already working, that homemaking and childrearing is a full-time job, that those of us in waged jobs are doing the double shift, and that workfare would in fact be a forced second job for welfare mothers. A growing movement of women has fought to establish the economic value of housework. As a result, scores of studies are being done on the value of housework by a range of researchers from insurance companies to law firms to think tanks like the Rand Corporation, which has estimated that the value of housework in the U.S. is some $700 billion a year.

When we compare the $700 billion worth of housework with the $11 billion price tag of the AFDC bill (only direct payments -- the total bill is $80 billion), the $147 billion legislators claim is too high a price tag to pay to implement comparable worth, and the pitiful lack of quality childcare programs, we can see that we get little or nothing in return for our tremendous contributions. Despite all the lip service to motherhood and the family, women and children are at the bottom of the priority list, and when we do become a priority issue -- such as in the welfare reform discussion -- the focus is how to get us to work even harder and to force us into further dependence on individual men.

So far, in testimony given on Capitol Hill, the ways in which the Family Security Act will impact women have not been discussed from women's point of view. Participation by women's organizations in the hearings has at best been token. Women who will be directly impacted by the legislation were not heard at all. The debate on welfare reform has so far centered on the assumption that women are not "working" until they enter waged employment. According to Senator Moynihan: "A program that was designed to pay mothers to stay at home with their children cannot succeed when we observe most mothers going out to work." (Ms. Magazine, November, 1987). Moynihan is frequently quoted as saying he "looked up one day and women were working," and therefore women on welfare should be mandated to work.

The Double Day

In reality, Moynihan looked up one day and women were doing the double shift -- housework and a waged job -- because women wanted the choice of either working inside the home or outside and, most importantly, we want the dignity and independence that seem to come only with a paycheck. Also, men's wages had dropped so low that many families could not survive without two incomes. Households headed by married couples account for 44% of the poverty increase in the U.S. since 1979. Eighty percent of married women in waged jobs are with men earning less than $20,000 a year. Women are doing the double day because we have to, because we live in a society that does not value our work -- because in order to 'count' we are forced to do the 24-hour-a-day shift. But to protect ourselves from complete exhaustion, women have also kept the amount of time in waged jobs limited. Of the 69% of married women in waged jobs, only 29% of them work full time year round. Studies have also shown that as men's leisure time increases, women's leisure time decreases. As one woman put it, "Women don't retire, we just tire."

Women Count, Count Women's Work

Although welfare started out under the Social Security Act as a pension for widows, historically women such as Crystal Eastman, Virginia Woolf, and other famous and not so famous women have fought to have housework paid for. Women have used welfare as an insurance policy against complete dependence on men. Welfare has been there if we choose not to be with men or when men desert us. Until recently, it has kept many women and children from complete destitution. Now payments are so low, over 100,000 women and children on welfare are homeless. Unlike most Western countries, where there is a system of family allowance payments to all women with children, welfare is the only money women in the U.S. get in our own right for the work of homemaking and childrearing. Given the low economic status of women, many of us not on welfare have known that we were just a man away from welfare.

In the 60's during the massive welfare rights movement mainly led by Black women, women made the case that housework was a job and that welfare was a right not a charity. State planners led by Moynihan became alarmed at what they saw as the disintegration of the family (we called it taking our autonomy from men) and the erosion of the work ethic. That housework is a job is not new. Black women have been paid for generations for doing housework in white people's houses--when we did that work for no pay, it was called slavery.

Women used the occasion at the UN Decade for Women, and the statistics coming out of the decade about the enormous amount of work women internationally do, to press our demands to have all our work, both waged and unwaged, counted and included in the Gross National Product. According to the UN, women do two-thirds of the world's work for 10 percent of the world's income and 1 percent of the world's assets, a figure that also reflects the reality of life for women living in the U.S. The Wages for Housework Campaign, with the support of thousands of women, successfully organized and lobbied for the passage of a UN resolution (Paragraph 120 of the Forward-Looking Strategies) at the UN End of Decade Conference for Women which calls for all women's work, waged and unwaged, in the home and on the land, to be counted in the Gross National Product. The U.S. twice agreed to this UN resolution, and in debate in the General Assembly of the UN in November 1985, Paragraph 120 was singled out in the statement by the US mission to the UN, as one that was important to women.

Provisions of The Family Security Act (S. 1511)

Child Support Supplements

A key provision of the Moynihan bill is to replace AFDC with a Child Support Supplement (CSS) Program. Child support payments will be withheld from the father's wages and kept by the State as a repayment for a portion of the mother's welfare check. The balance of the welfare check would be called Child Support Supplements, which the mother could be required to work off in mandatory work projects. This makes us more dependent on men, and makes us and our children more vulnerable to men we may no longer want to have anything to do with, including for reasons of personal safety.

The requirement to work off the difference between the child support check from the father and the total welfare check places the heaviest burden on women from poor Black and immigrant communities. Since men from these communities generally earn lower wages than white men, and since the amount of child support a man is required to pay is based on his income, women from these communities will be required to work the longest hours. This is a policy on race--in other words, racism.

Requiring Paternity Be Established

An important part of the CSS program is the establishment of paternity for all children. States will be required to collect Social Security numbers from parents at the time of a child's birth and establish state performance standards for paternity determinations. It is suggested that steps to establish paternity be taken before a child leaves the hospital. Again, policy makers, building on the anger of women against men who do not make child support payments, are mandating that all of us must establish paternity at time of birth. Again, this raises many problems which undermine women's autonomy; for example: what about immigrant children whose fathers may reside in another country, what about single women who adopt children, what about lesbian women who have used a sperm bank or a good friend, what about any woman who has used a sperm bank, what about women who have been raped, or the woman who does not know who the father is, is she supposed to make a list of all the men she slept with and hand it over to the government?

JOBS Program/Workfare

The workfare projects provided for in the Moynihan bill are in fields such as health, social services, education, and day care. These are the kinds of low-waged service and housework-type jobs that traditionally fall to women. Low-waged jobs will not help women and children out of poverty, but they will increase the work and stress level of single-parent families. By pushing more women into this work, the Moynihan bill increases competition for these kinds of jobs, pitting welfare mothers against other poor women and undercutting the wages of the people who are already in these jobs. In many cases, the result will be direct union-busting.

The Moynihan bill also provides for assigning women to non-workfare jobs in the private sector, but the wage rates for these jobs need be no higher than the minimum wage (regardless of the industry standard) -- thus ensuring that welfare mothers will remain at the bottom of the wage scale and driving down the wages of other people doing the same kind of work. This is not only a formula for corruption between public officials and private

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employers; by giving them so much power over women, it is also a formula for sexual harassment and rape.

Supporters of the Moynihan bill claim that workfare won't displace waged workers, but in fact the legislation protects only currently employed workers and positions from being displaced and protects only existing contracts for services or collective bargaining agreements. Also, currently employed waged workers can lose the opportunities to earn overtime pay due to displacement by workfare workers.

Young Mothers

Welfare mothers under 18 may be required to live with their parents. This would force women who have already raised a family to take on the work and responsibility of another, responsibility they may not want. In these cases, the welfare payments will go directly to the parents rather than to the welfare mother. This forces her into dependency on her parents in order to avoid being penniless. She has no control over the money provided for her children and thus loses her power to decide how best to provide for them. It also forces young women to stay in situations where they may be physically or emotionally abused.

Childcare Provisions

The Moynihan bill also provides welfare mothers who work outside the home with no more than $160 a month toward the cost of child care. Since it is impossible to find quality child care at that price, in effect, the bill says that poor children shouldn't get quality child care. Also, more children will be left alone, which will increase the numbers of latchkey kids.

If a woman refuses a job she's offered under the workfare program, whether because of the nature of the job or because she isn't satisfied with the quality of child care that is available to her, her aid may be eliminated for up to six months -- and she would have to wait the entire six months to have it restored, even if she changes her mind before the six months are up and agrees to take the job.

Summary

By in effect threatening women and their children with hunger and homelessness, the Moynihan bill forces women and girls to take the worst jobs -- the ones nobody else wants -- and to place their children in child care programs that they may have grave concerns about. If a woman refuses to take a job and her aid is cut off, she has few options. She may be forced into dependence on a man, perhaps not one of her choice, in order to keep herself and her kids fed and housed. She may stay in a relationship with someone who is violent or abusive, physically or mentally, not only towards her but also towards her children. Or she may be forced into prostitution or other crimes of poverty -- risking violence, imprisonment, and separation from her children -- simply in order to try to feed her family.

The position of those who support the Moynihan bill and its workfare provisions is clear: They place no value on women's unwaged work in the home and instead want to squeeze even more work out of women on top of the $700 billion worth of unwaged work we're already doing. They are ready and willing to undercut the wages and bargaining power of everyone in the waged work force, by having an unwaged labor force doing the same jobs as

waged workers and by increasing the competition for the lowest paid and most undesirable jobs. While professing to promote responsible parenting, they are in fact quite prepared to separate small children from their mothers (children as young as the age of 3) and to punish those children by cutting off the mother's aid if the mother tries to protect her child from what she considers inadequate or abusive child care by not taking a job outside the home.

These are the issues at the heart of the "consensus" on welfare reform.

What we want:

1. The U.S. implement the UN decision to count women's unwaged work in the Gross National Product so that our contribution to the economy will no longer remain hidden.

2. Increases in AFDC and all income transfer payments. Two-parent families should be eligible for welfare.

3. Implementation of the "Women, Welfare and Poverty" Resolution (part of the Plan of Action for Women passed at the First U.S. National Women's Conference in Houston, Texas, 1977 which among other things states that "homemakers receiving income transfer payments should be afforded the dignity of having that payment called a wage, not welfare."

4. Military spending should be cut and money go instead to programs that benefit women and children. Also, some of the money saved as a result of the recent US/USSR disarmament agreements should be made immediately available for programs for women and children.

Prepared by the International Wages for Housework Campaign.

Prepared Statement of Pierce A. Quinlan

Mr. Chairman, I appreciate the opportunity to discuss the views of the National Alliance of Business on issues related to welfare reform.

My name is Pierce A. Quinlan, Executive Vice President of the National Alliance of Business. The Alliance has worked to promote job and training opportunities for the economically disadvantaged for 20 years. We are the only organization led by, and representing, business in the specific areas of job training, employment, and human resource development for the nation's unemployed and disadvantaged. Our experience in working with both private sector employers and publicly funded job training programs provides us with a unique perspective on the subject of these hearings.

The Alliance is pleased to see that, unlike previous welfare reform efforts, the current wave of reform emphasizes expanding private sector work and training opportunities for welfare recipients. We strongly support this new thrust. Most employers are committed to ensuring that all Americans -- regardless of personal circumstance -- have the opportunity to acquire the skills necessary to compete in our private, free-market economy. In addition, we feel that the proposed strengthening of child support enforcement is consistent with the strongly held American belief that parents should support their children through their own efforts, and that society should assume this responsibility only as a last resort.

Sound Economic Policy

Traditionally, welfare reform has not been an important business issue. However, the interest and involvement of private sector employers in human resource issues has increased substantially in recent years, as the growing skill requirements of most jobs have outpaced the abilities of available workers. Many employers are worried that, unless a concerted effort is made to increase the education and skills of the nation's workforce, productivity could be impaired and economic growth could be undermined.

The rekindling of the welfare debate also coincides with the longest peacetime economic expansion since World War II, which has led to acute shortages of entry-level workers in some regions of the country. Demographic trends suggest that such shortages could become commonplace, restricting the ability of employers to fill job vacancies. To assure an adequate supply of labor, the nation will need to develop the productive capacity of groups previously considered to be outside the mainstream of our economy. In sum, training welfare recipients to fill job vacancies in the private sector is not only good social policy, but sound economic policy.

This convergence of social and economic interests has given rise to a mutuality of public and private interests in welfare reform. The public sector is interested in reducing the social costs of welfare dependency primarily by expanding economic opportunities for welfare recipients. Because the federal government can no longer afford, nor justify, massive public jobs programs to accomplish this task, public policymakers have shifted their attention to creating and filling jobs in the private sector. Meanwhile, the private sector is interested in new sources of educated and skilled workers to fuel continued economic expansion. These common interests provide a good basis for joint public/private efforts to reduce welfare dependency through the education, training, and employment of welfare recipients.

We are convinced that this is a critical year and a unique opportunity to enact a welfare reform bill, particularly one with an emphasis on education and training. Action on the bill will be needed to continue momentum in the states for comprehensive new welfare to work initiatives, since the federal commitment to existing efforts under the Work Incentive (WIN) program has begun to wither. The pending bill, S. 1511, is the most bipartisan of all the legislative proposals available and is an excellent starting point for the Committee's action.

I'd like to commend Senator Moynihan for the leadership he has provided to reforming the welfare system. S. 1511 contains many of the elements we consider critical to successfully drawing welfare recipients from the backwaters into the mainstream of the economy. We support provisions in the bill that would require states to establish welfare to work programs, grant them the flexibility they need to tailor programs to meet state needs, provide them a base level of funding to continue current efforts, offer

them a financial incentive to improve and expand on existing welfare to work programs, and encourage continued state experimentation through demonstration and waiver authority.

Key Issues

At this time, I'd like to highlight a few key issues for further consideration by the Committee.

Private Sector Involvement. We are pleased to see that S. 1511 acknowledges a role for the private sector in helping plan and design the proposed JOBS program. However, we believe that the JOBS program would be strengthened by specifying an institutional framework to ensure the desired private sector involvement. We recommend that S. 1511 specifically reference the need for welfare agencies to coordinate with existing state and local partnership structures, established under the Job Training Partnership Act, to give meaning to this provision.

During the past decade, public policy has shifted from casting private employers in a limited advisory role to making them full partners with public officials in local employment and training efforts. This trend has been based on the need to harness private sector expertise, resources, and support, as well as the need to tailor publicly financed programs to local economic realities.

The a clear example of such a partnership is the Job Training Partnership Act (JTPA). Employers who have played a meaningful role in public employment and training programs under JTPA now feel some ownership in public employment and training initiatives and some responsibility for their success. Employer satisfaction with the quality of JTPA programs has made a substantial difference in the ability of economically disadvantaged individuals to secure unsubsidized employment in the private sector. In addition, employers' understanding of what job skills are needed in particular industries or occupations, and their knowledge of local labor market conditions, have helped improve the design and content of public job training efforts, reducing the likelihood that public funds will be wasted on training for obsolete skills or nonexistent jobs.

Our annual surveys of the JTPA system have also documented unexpected benefits of private sector involvement. We have found that employers often contribute their own resources to help train motivated participants. Two-thirds of local JTPA programs receive donations from the business community -- including money, equipment, office/classroom space, and loaned personnel. In addition, business volunteers are involved in a wide range of activities such as marketing JTPA to other employers, involving their own companies in JTPA, and participating in on-site program monitoring.

Another hidden benefit of private sector involvement is the improved coordination of public and private resources. Under JTPA, the private sector has worked together with elected officials to coordinate existing education, training, employment, and economic development systems to reduce costs and avoid duplication of effort. Very often it is the "neutral" business volunteers who, because of their low tolerance for the turf battles common among public agencies and officials, can motivate various public officials to work more effectively together and coordinate resources more efficiently toward a common goal.

Currently, the main focal point for private sector involvement in public employment and training programs is the local private industry council. These private industry councils are already established in every community and could provide a ready-made partnership between the JOBS program and the private sector. The councils have several years of experience designing job training programs for welfare recipients and have already identified the effective providers of education and job training services in each local labor market.

Because the private industry councils include representatives from business, organized labor, education agencies, economic development agencies, rehabilitation agencies, the employment service, and community organizations, they have the potential to function as local "boards of directors" for employment and training programs. They could provide a valuable link between the private sector, public education, training, and employment efforts, and local welfare agencies, which have limited experience in the design and operation of effective work programs for their clients. A legislative requirement that welfare agencies be represented on the private industry councils would enhance their effectiveness.

I want to be clear that we are not suggesting that the JOBS program must be run by the job training partnership system, nor that funds must necessarily be directed there for services. I am suggesting that the bill simply require welfare agencies to utilize the expertise of those systems during its planning process to determine the best means of delivering education and job training services. JTPA is targeted primarily at economically disadvantaged individuals and services a large number of welfare recipients in each community. It would be inefficient to allow a new federally funded job training program for welfare recipients to be established in the community without requiring that coordination occur.

Local Planning. That brings me to another major issue in the proposed JOBS program -- the importance of a local planning process. The current welfare system, with its emphasis on income maintenance, relies mainly on highly centralized state administration. Employment and training programs, however, are most effective when planned and designed at the local level. If S. 1511 is intended to transform the welfare system from an income maintenance system into mainly a jobs system, it must include some provision for a local planning process.

Local planning is necessary, at least for the education and training components of the plan, because no one program model can fit every part of a state equally well. Because communities face different economic conditions, employer and client characteristics, and resource availability, the design of welfare to work programs should necessarily differ among communities.

The "Investment in Job Opportunities (IJO)" program in Maryland offers a useful example. This statewide welfare to work demonstration allows local planners to tailor programs to suit local needs and conditions. The program in Western Maryland, where unemployment was well above the state average, emphasizes economic development activities to attract jobs for welfare recipients. At the other end of the state, which is experiencing severe labor shortages at beach resorts while communities within driving distance have large reserves of unskilled workers, the program provides transportation from the labor surplus areas to the jobs going begging in the beach communities. In each of these programs, the goal is the employment of welfare recipients, but the design of the program is very different.

Local planning also allows for the most effective coordination of existing resources within each community. Most of the education, training, and employment services required by welfare recipients are already being provided in their communities. What is lacking is a local authority to determine what services are needed, who can effectively deliver them, and how service delivery should be streamlined to avoid wasting scarce public resources. Because the different services available in a community do not all fall under the authority of one public official, and should not be duplicated by the welfare agency, a local planning process is needed to take into account the different circumstances in each community and to address how existing resources will be utilized. We recommend that this local planning process be conducted jointly among the welfare agency, the local elected official or officials, and the private industry council. The local JOBS plan formulated by these three authorities, operating in this unique partnership structure, should include a description of what services are needed by welfare recipients and who will provide them, along with annual performance goals. Where welfare agency operations are controlled at the state level, the state agency should be required to negotiate directly with appropriate local officials and private industry councils on the job training plan. Although it would be desirable if all the parties involved could agree on a local plan, we recognize that the necessary cooperation is not always possible to achieve. In the event agreement could not be reached at the local level, any disputes would be resolved by the governor.

This consultation and planning process within the community would ensure that effective coordination is discussed and that the service delivery arrangements that result are appropriate to the community's needs. We are convinced that such a local planning process is a critical component of an effective JOBS program. It is flexible and it offers the best means of securing the support and involvement of the private sector. Furthermore, local planning assures the best use of existing resources, encourages local initiative, and improves the chances that welfare recipients will receive quality training for available jobs in their community.

Effective Program Coordination. Another important issue involves the effective coordination of the JOBS program with other related programs at the state level. As currently drafted, S. 1511 requires the governor to coordinate activities under the JOBS program with JTPA programs and with any other relevant employment, training, and

education programs in the state. However, we feel S. 1511 should go further to ensure coordination between public assistance and other human resource programs.

Effective coordination of the JOBS program with other related state programs is too important to be left to chance. Our recent survey of the relationships between various education, training, and employment programs found that welfare is presently the most problematic area of coordination. However, this situation appears to be changing where state welfare to work initiatives require interagency cooperation and joint planning at the state level.

A state job training coordinating council already exists in each state to advise the governor on state employment and training needs and policies. These councils are responsible for preparing a state "coordination and special services plan" to guide the coordination of related state programs such as education, public assistance, employment service, rehabilitation for the handicapped, and economic development. The state councils are also required under current law to review the plans of all state agencies that provide employment and training services and to make recommendations to the governor, state agencies, and the state legislature for improvements. Although progress is slow, these state job training coordinating councils are emerging as the focal point for state policymaking on human resource development issues.

A good example is the state of New Jersey, where 63 separate employment and training programs are administered by 6 different state departments. Over the past year, a task force appointed by Governor Kean has struggled to rationalize these individual activities into a coherent and integrated framework. One of their key recommendations is that the state job training coordinating council be reconstituted as an independent state commission on employment and training with a broader role and responsibilities. Maine and Michigan, among others, are following a similar course.

S. 1511 should require, at least, that the state JOBS plan be consistent with coordination criteria specified in the governor's coordination and special services plan. In addition, the JOBS plan should be submitted to the state job training coordinating council for review and comment prior to submission to the Secretary for approval. Currently, S. 1511 is the only major welfare reform proposal that does not contain these important provisions.

Accountability. Another important issue concerns program accountability. Private sector support for and involvement in the JOBS program rests heavily on the ability of the program to demonstrate its effectiveness. Given its scarce resources, the public sector, too, has a compelling interest in program accountability.

Although the implementation and cost-effectiveness studies proposed in S. 1511 are important tools to evaluate the JOBS program, the best tools are performance standards. S. 1511 requires the Secretary of Health and Human Services to develop performance standards for the JOBS program within five years of enactment. But the bill fails to outline what kind of measures would be appropriate to a program of this type. We recommend that the Committee adopt language on performance standards similar to that contained in the House-passed welfare reform legislation.

Performance standards for the JOBS program should measure outcomes, not process. The number of individuals who participate in a program is less important than what happens to them as a result of their participation. Private employers, as the main "consumers" of the individuals served by public employment and training programs, are particularly concerned that quality take precedence over quantity. Employers need trained, motivated, and productive workers and have little use for an employment and training program that cannot provide them. In our opinion, the purpose of the JOBS program would be thwarted if precious resources are wasted serving a large volume of individuals who, at the end of their program participation, still lack the basic qualifications for entry-level employment.

We have found that performance standards that measure program outcomes are an effective means of influencing the quality of public training programs and significantly improve the way in which employers view those programs. In addition, performance measures are an important management tool, improving chances of identifying problems early and allowing changes in program design. For this reason, we are concerned about the possibility of a five-year delay before setting performance standards. Waiting so long after enactment to set standards leaves the system without a common yardstick to measure performance, making it difficult to evaluate the need for continued funding and support.

Given the substantial expertise that the Department of Labor has established in this area and the considerable volume of program data already available from JTPA and state demonstration projects, we believe that even one year is too long to wait. The Department of Labor has already developed methods for adjusting standards to account for serious education or skill deficiencies. These methods and the existing data can be used to develop standards for the JOBS program. If later program data indicate that further adjustments are necessary, the preliminary standards could be modified. The Department of Health and Services should consult with the Labor Department on the design of an effective performance standards system.

Child Care and Medicaid Transition. Finally, we would like to endorse the requirement that states provide essential child care, health care, and other support services that welfare recipients need to participate effectively in training programs and succeed in employment. The lack of adequate funding for these services has been a major failing of the WIN program. Moreover, our surveys indicate that the potential loss of medical benefits creates a strong disincentive for welfare recipients to participate in JTPA programs, thus presenting serious and sometimes insurmountable obstacles to the ability of JTPA programs to train and place these individuals.

Employers are not equipped to provide many of the basic services welfare recipients need in making the transition from welfare to work. Employers will expect, and must be able to rely on, continued public program assistance for other necessary client support services such as transportation, day care, and personal, job, and financial counseling. For this particular clientele, which is often characterized by little or no work history, the involvement of private employers is more likely to occur if they can be assured that the individuals that they hire and train will receive the basic support services necessary to retain a job and to minimize distractions at the workplace.

Concluding Comments

Mr. Chairman, we believe that the nation could benefit substantially from a new federal welfare to work initiative such as the proposed JOBS program. We urge you and other members of the Committee to consider our recommendations, which we feel would strengthen what is already a sound piece of legislation.

We feel that a truly bipartisan Senate bill is crucial to the success of welfare reform, and we are optimistic that such a compromise is within reach. The conditions are favorable for a breakthrough. Welfare recipients want to work, but lack the necessary experience, education, and skills to obtain work. Employers need educated and skilled workers, but are having increasing difficulty finding those workers. Governors want to initiate or expand programs to address the needs of both. And welfare commissioners want to run these programs and use them as tools to reform the agencies they administer.

Many observers have noted the remarkable consensus that exists among diverse groups and individuals on the need for welfare reform. But this consensus is a perishable commodity. We urge members of the Committee not to jeopardize ultimate passage by being too ambitious. S. 1511 may not contain everything necessary to completely reform the welfare system, but it represents a good start. Past experience has amply demonstrated the need to proceed on this front in incremental steps.

At the same time, we urge members of the Committee to be realistic about whether welfare recipients can make a successful transition from dependency to self-sufficiency without an investment of federal resources. There is simply no cheap way to provide the intensive education, training, and support services that welfare recipients need to become competitive jobseekers. The choice facing society is not whether it is necessary to make such an investment, but rather how large an investment is possible given existing federal fiscal constraints and competing federal priorities. Ultimately, this question must be decided jointly by the Congress and the President.

We appreciate this opportunity to share our views and look forward to working together with the Committee to seize this golden opportunity to begin reform of the nation's welfare system.

Mr. Chairman, I would be happy to answer any questions you may have.

PREPARED STATEMENT OF SENATOR JOHN D. ROCKEFELLER IV

o Mr. Chairman, Senator Moynihan, it looks like there is a full program ahead with a great deal of expertise and wisdom to offer.

o I know there are still many concerns from all sides about what should or shouldn't be part of "welfare reform legislation." It is obviously an area that historically triggers debate and controversy. It has been no different from the time Senator Moynihan offered the "Family Security Act," with many members of this committee, including myself, as co-sponsors.

o As Senator Moynihan has told me, his bill is not set in concrete. On other hand, we do have some very real constraints that are cast in fairly solid stone. Clearly, we are not going to be able to add billions more in spending to the bill no matter how worthy or commendable the goals are. I have reached the conclusion that we must do what we can now -- the present system needs additional resources in order to assist even a fraction more of AFDC recipients in gaining more personal and financial independence.

o Throughout the process of considering Senator Moynihan's proposals and others, I have tried to listen to all sides and conider all points of view. This morning provides another opportunity to prepare for a markup, which I hope will occur soon.

o I'm especially pleased that we are joined by the Commissioner of Human Services, Regina Libscomb, and one of her chief staff, Sharon Paterno. Commissioner Lipscomb is here to share some insights and results stemming from the "Community Work Experience Program," which I, in fact, began as Governor in January of 1982. I am sure her testimony will be extremely useful to this committee.

PREPARED STATEMENT OF CARL B. WILLIAMS

Mr. Chairman, members of the Committee, my name is Carl Williams and I am the Deputy Director for GAIN External Affairs for the California Department of Social Services. "GAIN" stands for Greater Avenues for Independence and is California's employment and training program. Thank you for this opportunity to present California's views on welfare reform to the Committee.

In 1985, California, using the authority contained in the Omnibus Budget Reconciliation Act of 1981, enacted what many believe is the most comprehensive welfare employment and training program ever attempted in the United States. California's program will provide basic education, job search skills, vocational assessment, skills training and work experience to over 200,000 participants when fully implemented in 1990. California expects to spend over $400 million for the GAIN program during State fiscal year 1988/89. About 80% of these funds are coming from the State General Fund with the balance from Federal sources. The level of support for this undertaking clearly demonstrates the broad commitment being made by Governor Deukmejian and the Legislature. Nearly half of our Counties have begun GAIN operations and by September 1988 the program will be underway in all of California's 58 Counties.

The legislation that created GAIN came as a result of bipartisan agreement following extended negotiation. The GAIN compromise, however, while a melding of views on process, never compromised the goal of employment and independence for the many thousands of families now on public assistance.

We are now watching as the national debate on welfare reform runs its course. HR1720 has been passed by the House and S1511 is

expected to shortly go through mark-up. We in California and the other States that have begun innovative employment programs are concerned that Congressional action may discourage or disrupt the fledgling programs now underway.

I have discussed with the staff of Representative Downey and Senator Moynihan California's concerns with their respective proposals and have come away with renewed hope that a reasonable compromise will emerge from the Congress. In general terms we in California are more favorably inclined toward Senator Moynihan's bill than we are to the House proposal. Among other things, S1511 provides for a "maintenance of effort date" that does not penalize States that were the earliest to attempt employment and training programs. In addition, Senator Moynihan's bill provides for funding of a broad range of activities including basic education. In California we have found that over 60% of GAIN participants need to return to school before they can enter the labor market or receive vocational training. We are advised by Senator Moynihan's staff that the so-called "net loss of income" provision that initially concerned us makes no change in current law with respect to earned income disregards. This is in sharp contrast to HR1720 which appears to preclude referral to any job that offers a wage that would result in a net loss of income.

While there is much that we like about S1511 there are a few things we would like to see changed.

1. S1511 will not provide Federal Financial Participation for what we call "self initiated" training and the child care associated with the training. Self initiated programs are often the direct reflection of participants desire to obtain the education or training needed to become independent. We believe that this behavior should be encouraged through the provision of child care when needed. Also, the test of the

appropriateness of self initiated training should be at the local level and be based upon a direct comparison of the content and expected outcome and the most current labor market demand information. It is our view that all education and training should be directly responsive to employers needs.

RECOMMENDATION:

(1) That the training or education be linked to local labor market demand.

(2) Allow FFP for child care provided to those in approved self initiated programs.

2. Teen aged parents (regardless of the age of their children) can be required to participate for up to 24 hours per week. This provision could have the effect of limiting the States' ability to return young parents to basic education programs. In California where over 60% of GAIN participants are in need of basic or remedial education, we expect that teen age parents, with a 80% high school drop out rate, will spend considerable time in the education component.

RECOMMENDATION:

Teen participants should not be limited to 24 hr/week participation if the activity is attending school or alternative training/education.

3. S1511 requires States to provide for nine months of transitional child care as opposed to the three months currently provided for under GAIN. While there has been an ongoing debate on the need for transitional child care, there is little evidence to support any particular length of time as more appropriate than any other. In GAIN, we now provide three months of transitional child care and are embarking on a

detailed control group research project to help refine our knowledge concerning optional transition periods, the need for and extent of subsidies, the parental choice and the actual usage.

RECOMMENDATION:

Limit transitional child care to six months and only on an as needed basis until research on extended child care to be conducted in California gives us policy guidance.

4. S1511 appears to require a formal assessment as an early program activity. We believe that the sequence of components should be left to State discretion. In the GAIN program the State decided that prior to the more expensive components such as assessment and vocational training we wanted participants to test the labor market. In other words we wanted the labor market to determine who was employable and who needed additional help as opposed to the traditional approach of front-end assessment.

RECOMMENDATION:

Include language that would leave the sequence of activities to State option or clarify that such flexibility is intended through appropriate language in the committee report.

5. S1511 would require HHS to establish through regulations specific time limits for the processing of child support cases. California and other States have demonstrated that incentives are more effective in improving child support enforcement collections than are penalties. In addition, time limit standards must take into consideration such factors as the level of a State's automation and difference in judicial procedures and practices. All of these factors will effect child support enforcement performance.

RECOMMENDATION:

Revise language to establish performance incentives (as opposed to penalties) along with time standards that take into consideration differing State conditions.

6. The measure also permits HHS to set paternity establishment standards and fiscal penalties for failing to meet these standards. As in the case of processing time limits, the establishment of paternity will be encouraged better through incentives than penalties. California's Legislature is considering ligislation that would provide incentives for establishing paternity in cases involving teen age fathers.

RECOMMENDATION:

Revise language to require incentives (as opposed to penalties) for meritorious performance in establishing paternity.

Again let me say that we are much more supportive of S1511 than we are of HR1720. S1511 is very similar to California's GAIN program and in our view has wisely used State experience to great advantage.

In anticipation of a Conference Committee we would like this Committee to be aware of our concerns with respect to the House bill:

1. The "maintenance of effort" date after which Federal Financial Participation will be available occurs after Presidential signature. This provision clearly penalizes those States which have already implemented significant programs. California started its GAIN program in September 1985 and has made major financial commitments each year thereafter. For example, in State FY 1988-89, California will spend around

$407 million of which 78% is from State General Funds. Those States that have done little or nothing would benefit through this provision.

RECOMMENDATION:

That the Conference adopt S1511's maintenance of effort provision (i.e. Federal Fiscal Year 86).

2. "Loss of Income" provision in HR1720 precludes referrals to jobs which pay less than the welfare benefit package even if the wage were supplemented through public assistance. This provision would wipe out California's limited net loss of income provision and do fatal damage to the States performance based contracting requirements. These requirements are intended to ensure that training providers are paid not merely for training but for actual job placement. Performance based contracting insures the link between the labor market and job training. Participants agree in advance to a course of training and are made aware through their contracts of the expected starting wages in the vocation selected.

RECOMMENDATION:

That the Conference accept S1511 net loss of Income provision which makes no change in current rules.

3. HR1720 provides that a referral for employment may not be made unless the job pays the "prevailing wage". This provision calls for the State or local entity to determine if a job to which a participant is being referred, pays the prevailing wage. This requirement creates an incredible administrative burden which will likely necessitate the review of each individual job opportunity.

RECOMMENDATION:

That the wage provisions of S1511 be adopted.

4. The House bill appears to require "licensing of child care providers caring for two children or more. Such a requirement could call for licensing "grandma" to care for her daughter's children. We do not believe that this is reasonable or enforceable.

RECOMMENDATION:

That this provision be eliminated by the conferees.

5. HR1720 ignores earned income tax credit as income for AFDC eligibility and benefits. We do not believe that the earned income tax credit should be ignored for purposes of public assistance. Employed welfare recipients receive earned income disregard of $75 for work related expenses, up to $160 per child per month for child care (GAIN hgas higher limits) and a work incentive of $30 and one-third of the remaining income.

RECOMMENDATION:

That the current law concerning such income be retained.

6. HR1720 restricts "workfare" assignments to six months and under certain conditions to three months. Under GAIN a participant who is successful in vocational training but unemployed after 90 days will be assigned to "workfare" for up to one year in a job as closely related to the training as possible. Contrary to popular opinion "workfare" is not the onerous assignment that it may have once been. In research conducted by MDRC both participants and sponsors are pleased and generally enthusiastic about the benefits of this component.

RECOMMENDATION:

That the length of workfare assignment be left to State discretion.

7. HR1720 raises earned income disregards to $100 plus 25% of the remainder; and increases day care disregards to $175 and $200 per child for children ages two and over and for children under two, respectively. The several research efforts conducted on the impact of the 1981 OBRA changes confirm that the time limits imposed on the work incentive known as "$30 and one-third" had no effect on the willingness or unwillingness of individuals to work. We do not believe that there is any new evidence of added incentive that would result from an increase in the current level of disregards.

Under Federal waiver authority California is testing the impact of increased child care disregards and the ability of GAIN participants to become independent. We believe that this research should be concluded and used as guidance before child care disregards are changed.

RECOMMENDATION:

That the current law be retained.

8. HR1720 allows for a $50 disregard if a child support payment is sent timely but received late. This provision will require child support enforcement officials to review the postmarks and other information on thousands of individual payments to determine timeliness. Also, it will require resolution of disputes around claims of timely mailing and late receipt. The provision creates an unnecessary administrative burden.

RECOMMENDATION:

That the $50 disregard be based on date of receipt of payment.

California and numerous other States have already taken advantage of the rare consensus surrounding welfare reform and have undertaken programs that are already paying dividends. We are, however, embarked on a lengthy learning experience which if continued will answer many fundamental questions about dependency. On our own and through the help of the Manpower Demonstration Research Corporation we continue to learn critically important lessons about our public assistance programs. Much of what we have learned suggests that welfare may be the repository for those who have been failed by other parts of our social infrastructure.

While we are all acutely aware of the difficult budget problems at the national level and the many demands being made by well-intentioned reformers, we hope that this rarest of opportunities will not be lost and that a reasonable and flexible compromise will be reached.

Thank you.

STATES WITH PRESUMPTIVE GUIDELINES

Summary

Forty-four states have statewide guidelines. Of these, nineteen have presumptive guidelines of statewide applicability and eight have mandatory or presumptive guidelines for Title IV-D cases having orders established by administrative process. Pennsylvania requires that each county have presumptive guidelines. The District of Columbia has a presumptive guideline of general applicability.

Statewide Applicability

Alaska
Arizona
California
Colorado
Delaware
Hawaii
Illinois
Kansas
Minnesota
Nebraska
Nevada
New Jersey
Ohio
Oklahoma
Rhode Island
South Dakota
Vermont
West Virginia
Wisconsin

District of Columbia

Title IV-D Cases Only

Iowa
Kentucky
Maine
Michigan
Missouri
Montana
Oregon
Utah
Virginia
Washington

Presumptive - County Level

Pennsylvania

Source: National Center for State Courts, Child Support Guidelines Survey (as of February 15, 1987).

PREPARED STATEMENT OF ROBERT G. WILLIAMS, PH.D.

Deficiencies in the Current Child Support System

The landmark Child Support Enforcement Amendments of 1984 (P.L. 98-378) greatly strengthened this country's child support enforcement system, particularly the tools available to enforce obligations after accumulation of arrearages. There remain, however, serious deficiencies in our child support structure that could be effectively addressed by additional federal legislation. The most significant of these deficiencies are as follows.

(1) Non-establishment of orders. In an unacceptably large proportion of appropriate cases, child support orders are not established. Without an order in place, no potential exists for legally enforceable receipt of child support. This problem is most serious for cases involving out-of-wedlock births.

(2) Inadequate levels of orders. Analysis of average levels of existing child support orders shows that they are far below the costs of rearing children as measured by the best available economic evidence. Inadequate orders result from insufficient initial orders as well as the absence of a routine process for modifying orders to reflect changes in parental income and childrens's needs.

(3) Ineffective enforcement across state lines. Newly available data indicate that interstate obligations are difficult to establish, are frequently set at levels well below normal standards, and are enforced only erratically. The legal structure for interstate child support actions, which predates establishment of the Title IV-D child support enforcement program, is deeply and irredeemably flawed. More recent attempts to establish more effective interstate remedies have not yet been successful.

These deficiencies sharply curtail the increases in collections and reductions in welfare dependency that could otherwise be achieved under our existing child support system.

This testimony addresses these deficiencies. It is based on research and analyses performed by Policy Studies Inc. in conducting a range of research and technical assistance projects in the child support field, as well as research and statistics published by the federal government and other organizations.

Lack of Child Support Orders

A little known problem in the area of child support is that fewer than half of all potentially eligible custodial parents have child support orders and are also supposed to receive support in a given year. The most recent Census Bureau study of child support, covering obligations and payments in 1985, showed that only 61 percent of women custodial parents had been awarded child support and only 50 percent were supposed to receive child support in that year. In half the cases, then, a child support order had either not been established or payment was not due in that particular year.[2] Further analysis of this data shows that the lack of awards is particularly acute for cases where the custodial parent has never been married. Whereas 82 percent of divorced custodial parents have child support awards, only 43 percent of separated custodial parents and only 18 percent of never-married custodial parents have awards. These statistics demonstrate that particular attention is needed for establishment of child support awards in cases where paternity establishment is also at issue.

There are compelling economic and social reasons for concentrating additional resources on paternity determination and establishment of child

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[2] U.S. Bureau of the Census, Child Support and Alimony: 1985 (Advance Data from March-April 1986 Current Population Surveys), Current Population Reports, Special Studies, Series P-23, No. 152 (August 1987).

support orders for children born out-of-wedlock. As is well-known, the number of out-of-wedlock births has been growing rapidly. Such births now account for approximately twenty percent of all births. Families with a never-married head have been increasing even faster. The proportion of families with children headed by a never married parent increased from 0.8 percent of all families with children in 1970 to 6.6 percent in 1985, an eight-fold increase in only fifteen years. As noted above, only 18 percent of never-married custodial parents have child support orders. When collection rates are taken into account, the Census Bureau figures show that only 11 percent of never-married custodial parents receive any child support in a given year.

The pitifully limited child support collections for this group contributes to high and growing rates of dependency on Aid to Families with Dependent Children (AFDC) by parents of out-of-wedlock children. Materials prepared by the Senate Finance Committee staff show that lack of a parental marital tie became the predominant basis for AFDC eligibility in this decade, increasing from 28 percent of the caseload in 1969 to 46 percent in 1984.[3] Many never-married custodial parents give birth when they are teenagers. This group is associated with particularly disturbing levels of welfare dependency. The estimated average duration of welfare dependency for AFDC recipients who become parents as teenagers is nine years.[4] Another study estimated that, in 1985, the public outlay associated

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[3] U.S. Senate, Committee on Finance, Data and Materials Related to Welfare Programs for Families with Children, S. Prt. 100-20 (March 1987), pp. 26-27.

[4] M. Maxfield and M. Rucci, "A Simulation Model of Employment and Training Programs for Long Term Welfare Recipients: Technical Documentation," Mathematica Policy Research (Washington, D.C.), 1986.

with teenage childbearing exceeded $16 billion for AFDC, Food Stamps, and Medicaid.[5]

Child support enforcement agencies vary widely in their effectiveness in establishing paternity. A recent General Accounting Office (GAO) report, based on case file samples in eight local jurisdictions, showed that 44 percent of AFDC child support cases needed paternity determinations and that 59 percent of those did not get them. Graphical data in the report indicate further that success rates among the eight agencies in determining paternity and establishing orders for AFDC cases ranged from less then 10 percent to around 50 percent.[6] The number of paternities established by states in fiscal year 1986 ranged from 76 (Nevada) to more than 25,000 (California). Further analysis would reveal broad variance if state performance were calculated as a proportion of all never-married AFDC cases, or all never-married custodial parents.

In our experience, the reason that many child support agencies establish too few paternities is that such cases are frequently "prioritized out." Cases involving paternity are simply not pursued unless they indicate an immediate potential for significant collections, that is, the social security number and location of the alleged father are known and he is employed. Paternity cases are correctly perceived to have less short-term payoff than other cases: they cost more to process and fathers in such cases have fewer means and less inclination to comply. What is given insufficient weight is that the public support costs associated with AFDC cases involving paternity are far greater than for other cases. Thus, the payoff period is considerably longer for paternity cases than for other types of child support cases.

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[5] M. Burt, Estimates of Public Costs for Teenage Childbearing, Center for Population Options (Washington, D.C.), 1986.

[6] U.S. General Accounting Office, Child Support: Need to Improve Efforts to Identify Fathers and Obtain Support Orders, GAO/HRD-87-37 (April 1987).

Other constraints on effective paternity establishment include the absence of effective paternity legislation at the state level; insufficient utilization of best practices for paternity establishment; and cumbersome, inordinately time-consuming procedures for adjudicating paternity. According to the National Conference of State Legislatures, only nine states have adopted presumptive blood or tissue testing legislation. Some states have statutes that still treat paternity determination as a quasi-criminal process, pose obstacles to the use of modern blood and tissue testing technologies, discourage negotiated settlements, and encourage use of jury trials. Information on best practices in paternity establishment is just now developing in several recently funded demonstration projects. Some evidence is emerging that paternity establishment is best raised as an issue immediately after application for AFDC (instead of after approval, as is most common), that it is presented most persuasively in the context of benefits and rights of the child, and that procedures emphasizing voluntary negotiations rather than court-oriented litigation generally achieve the most positive and cost-effective results. In some jurisdictions, there are excessive court backlogs for adjudicating paternity. These are exacerbated by archaic procedures that require multiple court hearings, and sometimes jury trials, to dispose of paternity matters. As a result, paternity establishment in some areas commonly requires more than a year, and in too many cases, several years.

In our judgment, several changes to federal legislation could materially improve performance in paternity establishment. First, as provided in H.R. 1720, there should be a statutory requirement that states pursue all AFDC (or replacement program) cases needing paternity establishment. This policy could be expanded to include a requirement that states specifically publicize the availability of paternity establishment services for non-AFDC cases and provide sufficient resources to assist in establishment of paternity for all such cases needing services.

Second, the requirement that all states pass presumptive blood-testing statutes would improve the process greatly. Colorado has had such a statute for several years. It has greatly expedited the paternity establishment process and practically eliminated the need for trials while nevertheless affording ample due process protections to alleged fathers. In requiring such legislation, we suggest that the requirement reference blood or tissue testing to ensure that the emerging DNA paternity-testing technology can be used as it becomes more broadly accepted.

Third, the Secretary of DHHS should be required to establish regulatory standards for adequate state performance in establishing AFDC paternity. H.R. 1720 sets performance standards for paternity establishment which are percentage increases in current levels of paternity determinations. However, mandating percentage increases in the current base penalizes states that are already performing at high levels, while allowing poorly performing states to satisfy the standards with insufficient increases. More effective approaches would set the standards for paternity determinations based on a target proportion of AFDC cases needing paternity establishment, or as a proportion of all out-of-wedlock births within a jurisdiction.

Fourth, the Secretary of DHHS should be required to establish regulatory time standards for paternity determination. The current standards for expedited process of child support cases exempt paternity determinations, except at state option. Just as expedited process standards have improved the case management of child support cases requiring adjudication, time standards would speed case handling for paternity cases. Because such cases can be more complex than other child support actions, the time standards for paternity establishment should be higher than for other actions.

Inadequate Levels of Orders

Recent studies have shown that child support awards are critically deficient when measured against the economic costs of child rearing. A 1985 study performed for the U.S. Office of Child Support Enforcement estimated that $27.5 billion in child support would have been due in 1985 if child support were set based on either of two well-known guidelines; the Delaware Melson Formula or the Wisconsin Percentage of Income Standard.[7] By comparison, the Census Bureau study on child support found that $10.9 billion in child support was reported to be due in 1985. These figures suggest that there was a "compliance gap" of $3.7 billion in 1985, but an "adequacy gap" of $17 billion.

In the 1985 Census study of child support, the mean court-ordered obligation in effect during 1985 was reported to be $2,393 per year, or $199 per month. This obligation covered, on average, 1.82 children. This amount provides only a fraction of the normal cost incurred in rearing that number of children. As estimated in an authoritative study by Thomas Espenshade, an order for $199 is equivalent to only 25 percent of the average expenditures on children in a middle income household.[8] Other figures show that court-ordered support falls well short of even the most minimal standards for costs of children. Based on the U.S. poverty guideline, the average court order would have supported the subject children only at 80 percent of the poverty level for 1985.

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[7] Ron Haskins, et al., Estimates of National Child Support Collections Potential and the Income Security of Female-Headed Families. Report to U.S. Office of Child Support Enforcement, Bush Institute for Child and Family Policy, University of North Carolina at Chapel Hill, April 1985. Haskins estimated the amount due for 1984 to be $26.6 billion. We adjusted this estimate to 1985 values using a consumer price index adjustment.

[8] Extrapolated to 1.8 children. See Thomas J. Espenshade, Investing in Children: New Estimates of Parental Expenditures (Urban Institute Press: 1984). See also, Robert G. Williams, Development of Guidelines for Child Support Orders, Report to U.S. Office of Child Support Enforcement, National Center for State Courts (March 1987).

The statistics on child support levels for 1985 refer to those orders in effect in 1985 and therefore include many orders set earlier as well as those newly established in that year. Consequently, the "adequacy gap" in child support orders has two components. The first component is inadequate initial orders. The second component is the absence of systematic updating procedures for child support awards. Since the value of child support orders erodes with inflation and increasing obligor income, orders that are more than a few years old can be greatly deficient even if they were initially established according to a reasonable standard.

Rectifying the inadequacies in child support awards therefore requires two separate programmatic initiatives. First, guidelines should be used to set child support awards to ensure that these awards are established in accordance with the best available economic evidence on the costs of child rearing. Second, effective programs for periodic modification of child support orders should be established so that orders can be updated in relation to the current circumstances of the parents and needs of the children.

Guidelines for Child Support Awards. The first initiative, establishment of guidelines for child support awards, was partially addressed in the Child Support Enforcement Amendments of 1984. States were required by October 1, 1987 to establish guidelines for child support based on specific descriptive and numeric criteria. The guidelines could be established by law or by judicial or administrative action.

Though a major step forward, the current requirement for child support guidelines is drastically weakened by a provision that the guidelines need not be binding upon those persons with the authority to establish awards. This provision gives states broad latitude in the legal status they accord to guidelines. Thus, many states have implemented guidelines with rebuttable presumption status, which are used routinely in the establishment of child support awards. Under rebuttable presumption

status, child support awards are set according to the guidelines unless the judge or hearing officer makes on-the-record findings that application of the guidelines would be inequitable to one of the parties or the child. The majority of states, however, have implemented guidelines which only have advisory status. In such states, judges and hearing officers may use the guidelines if they wish, but are under no compulsion to do so. This more limited status obviously weakens the impact of guidelines. A particularly serious problem is that the judges and hearing officers most inclined to award sub-standard levels of child support in the absence of guidelines would be most likely to ignore guidelines with only advisory status.

Based on a survey soon to be published by the National Center for State Courts under the auspices of its Child Support Guidelines Project, there are at least twenty-one states (plus the District of Columbia) that have implemented presumptive guidelines of general applicability. In such states, the guidelines have rebuttable presumption status and apply to both Title IV-D and non IV-D cases. In another five states, the guidelines have presumptive status for Title IV-D cases, but only advisory status for non IV-D cases. These are states in which child support for Title IV-D cases is established using an administrative agency hearing process. In the majority of states, then, guidelines either have only advisory status, or the states have not yet complied with the federal requirement. A few states have developed advisory guidelines with intensive involvement of the judiciary and the bar and have conducted widely attended educational sessions in the use of the guidelines. In such states, even advisory guidelines may achieve high rates of use within a state and may have beneficial results.

In general, however, the full benefits of guidelines will be attained only if they have presumptive status. Guidelines must be routinely used if they are to provide a standard of adequacy, improve the equity of child

support orders, and increase the efficiency of the adjudicatory process. The national Advisory Panel on Child Support Guidelines has recommended that Congress enact legislation requiring that each state implement a child support guideline as a rebuttable presumption.[9] This broadly representative Advisory Panel was appointed by the Department of Health and Human Services at the request of the House Ways and Means Committee.

Several other implementation issues affect the efficacy of child support guidelines. The great majority of child support awards are established by means of negotiated settlements rather than contested hearings. Some states, such as Colorado, require that negotiated settlements be reviewed against the guidelines to ensure that awards established in that manner are adequate and that the best interests of the child are protected in any deviation. This type of provision is consistent with another recommendation of the national Advisory Panel on Child Support Guidelines. As stated by the Panel: "In child support negotiations, the interests of the child may not coincide with those of either parent.... An agreement that significantly departs from guidelines should be questioned if the reasons are not sufficiently documented or the agreement is contrary to the child's best interests."

As noted above, in some states (e.g. Maine, Missouri, Oregon), guidelines have presumptive status only for orders established for Title IV-D cases. Clearly, guidelines are more effective if they extend to all child support cases in a state. A similar issue is that some states such as Pennsylvania delegate responsibility for implementing guidelines to their counties. This perpetuates inequities in outcomes, promotes forum-shopping, and diminishes the credibility and effectiveness of guidelines. It would be

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[9] Development of Guidelines for Child Support Orders: Advisory Panel Recommendations. Part I. Report to U.S. Office of Child Support Enforcement, National Center for State Courts, September 1987.

desirable, then, for any congressional requirement for child support guidelines to specify that they not only be presumptive, but that they also be applied statewide and be applied to negotiated as well as contested cases.

Modifications of Child Support Orders. The second initiative that is needed, systematic updating procedures for child support orders based on reapplication of guidelines, is a more serious and less tractable issue. Once orders are set, there is no routine, self-starting process for getting them modified to account for changing circumstances of the parties and evolving needs of the children. Indeed, in the great majority of states, a parent must not only petition a court for a modification, but also has the burden of proof to demonstrate that a modification is justified. The most frequent criterion is that the petitioner must show there has been a change in circumstance that is continuing and so substantial that it renders the original award inequitable. Some states have even required a showing that the original order would be "unconscionable" if the modification is not granted. These types of legal barriers, in conjunction with the need to retain attorneys and deal with a court process, pose major deterrents to obtaining needed updates of orders. In turn, the lack of routine modification is probably the most significant contributing factor to the inadequacy of awards.

It is apparent that use of guidelines to modify orders periodically, and to update all orders established prior to implementation of guidelines, could greatly improve the economic sufficiency of child support orders. Use of guidelines in this manner could also reduce welfare dependency.

Limited evidence on these issues comes from New Jersey, which uses guidelines to update pre-guidelines orders if a continuing and substantial change in circumstances is first shown. New Jersey estimates that all court orders established the first year under guidelines in response to modification petitions increased an average of 110 percent to 162 percent

for one and two children, respectively. These increases are substantially more than in cases where the guidelines were not used. The New Jersey child support enforcement agency, in conjunction with the Administrative Office of the Courts, has also implemented an upward modification program for child support orders relating to AFDC cases. In this program, orders are selected for review and modification petitions if obligors have significantly increased earnings. As of July 1987, 2,132 cases had been modified. The result has been a 135 percent increase in average award, from $27 to $61 per week. Annualized obligations for these cases have increased from $571,000 to $2.9 million. Approximately one-fourth of all such cases had their child support increased sufficiently to boost them off AFDC.

Old child support awards tend to erode in both value and equity. Periodic modifications of orders using guidelines can help ensure that the orders continue to be economically adequate and that they fairly reflect the circumstances of the parties and needs of the children. But, even though all courts retain continuing legal jurisdiction over child support until children are emancipated, there is considerable resistance to routine modifications of orders. The primary resistance of both courts and IV-D agencies stems from the fear that the additional volume will overwhelm the system. Some courts and attorneys are also opposed to an automatic modification process that would remove the requirement for petitions by obligees.

To address these concerns about periodic modification processes, the Advisory Panel on Child Support Guidelines recommends that "...Congress allocate funds for demonstration projects intended to develop suitable models of systematic updating processes and to evaluate their effects." These projects could develop and test suitable models for routine updating of child support orders. As stated by the Advisory Panel:

> Courts and child support agencies resist implementing systematic modification programs because of the absence of available models and the lack of information on costs and benefits. For a systematic

> updating process to be efficiently operated, a high degree of automation and the development of innovative new processes would be required. While the concept for a systematic updating mechanism is outlined in the Final Report (pp. 95-97), considerable development and careful testing would be needed for implementation and evaluation of a prototype.

The Advisory Panel then recommends that Congress appropriate funds for a series of demonstration projects for development and evaluation of systematic updating processes. It states: "Through a set of projects, effective prototypes could be developed and credible data collected on the costs and benefits of structured, periodic modifications of child support."

H.R. 1720 provides that Title IV-D agencies be required to review all child support orders with reference to guidelines every two years. This requirement would be expected to increase levels of child support significantly, as well as making orders more equitable on a continuing basis. Careful attention should be given to the implementation of such a requirement, however, since IV-D agencies are already severely pressed with their existing obligations. It may be prudent to delay implementation of this requirement until 1992 for the first completed review, for example. This would allow time to conduct demonstration projects which would provide valuable information about the most efficient models for conducting periodic modifications. Deferral of the requirement would also allow Title IV-D agencies more adequate time to gear up for this process and absorb other requirements that might be mandated under the pending legislation.

The Advisory Panel also recommends that Congress "...enact legislation which requires states to make a change in circumstance the sole standard for considering modification of a child support order and, further, that adoption of a guideline be deemed a change in circumstance for purposes of modification." This recommendation is intended to permit access to the benefits of guidelines without invidiously discriminating against those whose orders were established prior to guidelines implementation dates.

Thus far, California is one of the few states to adopt this standard. Some states restrict use of guidelines to orders established after implementation, some require that a criterion such as "substantial and continuing change" first be met, and several others have set a presumptive quantitative standard for application of guidelines to previously established orders. Vermont, for example, provides that a fifteen percent change in support, when recalculated using the guidelines, is presumed to meet the state's standard of substantial change in circumstances.

Interstate Case Processing

Establishing and enforcing child support orders across states lines pose complex and seemingly intractable problems for courts, attorneys, child support agencies, and parents. These problems have become more severe as societal mobility increases. A University of Michigan study of separated parents nationwide found that 12 percent lived in different states one year after divorce or separation. That proportion grew to almost 25 percent three years after, and to 40 percent eight years after divorce or separation.[10] Estimates based on the federal tax refund offset programs, as supplemented by other sources, suggest that approximately 30 percent of the child support cases involve interstate residency of the obligor and obligee. The effectiveness of the child support enforcement system depends on an augmented ability to establish and enforce interstate obligations. Otherwise, as many obligors have found in the past, orders to pay child support can be evaded, or at least substantially delayed, simply by moving across a state line.

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10 Martha S. Hill, "PSID Analysis of Matched Pairs of Ex-spouses: The Relation of Economic Resources and New Family Obligations to Child Support Payments." Report to Office of Assistant Secretary for Planning and Evaluation of U.S. Department of Health and Human Services, University of Michigan Institute for Social Research, November 1984.

With the assistance of our research firm (Policy Studies Inc.), Michigan recently completed a federally funded demonstration project for interstate case processing. The results of this study, which are consistent with an earlier demonstration project in Maryland, identified serious deficiencies in current case processing. These deficiencies can be summarized as follows:

(1) Uniform Reciprocal Enforcement of Support Act (URESA) cases sent by Michigan courts to other states have only a 41 percent chance of yielding an order in the other state.

(2) For those cases in which an order is obtained, lengthy delays are encountered. The average time for Michigan to obtain an order in another state is almost eleven months. About one-third of that time is devoted to locating the obligor, obtaining proper documentation, and preparing the pleadings.

(3) Orders obtained under URESA are typically about 40 percent lower than the requested amount and are four to eight percent below a previously existing order.

(4) Of all interstate cases sent out by Michigan, only 41 percent included a request for arrearages. The percentage was even lower for incoming cases: only 32 percent included such a request for arrearages. Of these requests, only about 40 percent were ordered to be paid, with the remainder either reduced or denied.

(5) If an interstate action is required to establish paternity, the matter is rarely pursued. In only one of the five Michigan counties sampled were any interstate paternity actions filed.

(6) Petitions to modify existing interstate child support orders are rare. Once a URESA order is established in another state, any effort to

> obtain a modification to reflect the current circumstances of the parties is infrequent.[11]

With our increasing societal mobility, the erratic nature of interstate processing looms increasingly large as a major gap in the child support system.

Most interstate establishment and enforcement actions are handled under the Uniform Reciprocal Enforcement of Support Act (URESA), created in 1950 and amended as recently as 1968. All states have passed at least some version of URESA, as well as several foreign jurisdictions. Systems and procedures for child support enforcement agencies and the courts are firmly geared to both sending and receiving URESA orders to the exclusion of alternative interstate remedies. Yet, it has become all too clear that URESA is too often misunderstood and misapplied. Moreover, as should be apparent from the above evidence, the overall results obtained from its use are critically deficient. The outcomes for case actions are uncertain, there is a high attrition rate for petitions, the delays are lengthy even if a resolution is achieved, orders are even lower than they would be under traditional methods of establishment, paternity establishment is rarely pursued, and modifications to existing orders are almost never obtained.

There are additional defects in URESA. There are due process problems, especially for the obligee, because of ambiguities in legal representation by public attorneys and inadequate notice of decisions and appeal rights. The fact that multiple orders for the same case can be established under URESA, and that payments must be accounted for separately under each is needlessly complex and confusing for obligors, obligees, courts, and child support agencies. There is no provision for

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[11] J. Bruce Kilmer, et al., Analysis of Interstate Case Processing in Michigan, Report to Michigan State Court Administrative Office, Policy Studies Inc., October 1987.

separately addressing custody and visitation issues, with the result that they are often inappropriately intertwined with child support issues.

It is noteworthy that URESA was enacted by states long before the creation of the Title IV-D child support enforcement program. Thus, the institutions and remedies provided under the IV-D program are not integrated into the interstate legal structure provided by URESA. The 1984 Amendments provided that all states make available their income withholding processes for enforcement of other states' orders. This represented an attempt to substitute a more streamlined interstate remedy for the traditional mechanisms available under URESA. Although interstate income withholding has excellent potential to improve the interstate process, it is being used only sporadically by states due to the lack of uniform implementation and unfamiliarity with the procedure.

With URESA, interstate income withholding, and other available methods, there has come to exist an array of options for establishing and enforcing interstate child support obligations. The existence of these options means that choice of an appropriate remedy has become unduly complex for attorneys and line staff. The confusion thereby created has contributed to the poor performance for interstate cases.

The legal structure for interstate child support actions needs to be thoroughly overhauled. H.R. 1720 would establish a Commission on Interstate Enforcement to study interstate problems and develop a model law. This provision represents a constructive approach to this problem if the Commission is mandated to develop a comprehensive new law that would supercede URESA and subsume the full range of interstate legal processes. The complexity of legal issues requires that the Commission be given adequate staff and contractual funds to support its efforts and that it be required to solicit the involvement of a broad spectrum of representatives from the bar, judiciary, child support enforcement agencies, advocate organizations, and child support research organizations. The one year

term provided for this Commission is not realistic in view of the complex constitutional and administrative issues involved. Two years should be the minimum period allowed, and three years should be considered.

H.R. 1720 also would authorize child support agency access to the Department of Labor INTERNET system. This promises to improve states' ability to locate out-of-state obligors substantially.

The 1984 Child Support Enforcement Amendments provided for demonstration projects to improve interstate child support enforcement. These projects should be continued. In particular, more projects should be supported which test innovative structural, legal, and administrative changes to establishment and enforcement of interstate child support obligations. Several early projects began to yield promising results in these areas, as well as improve our understanding of the nature of interstate processing problems, but the continued funding originally planned was not provided for most such projects.

COMMUNICATIONS

WRITTEN STATEMENT OF

STEPHEN B. HEINTZ
COMMISSIONER, CONNECTICUT DEPARTMENT OF INCOME MAINTENANCE
AND
CHAIR, AMERICAN PUBLIC WELFARE ASSOCIATION
"MATTER OF COMMITMENT" PROJECT

I am Stephen Heintz, commissioner of the Connecticut Department of Income Maintenance, and chair of the American Public Welfare Association "Matter of Commitment" project. APWA is a bipartisan nonprofit association representing the 50 state human service departments, 530 local welfare agencies, and 6,000 individuals, many of whom work in the public human services.

In his State of the Union message to the nation last week President Reagan exhorted us to make our welfare system "the first rung on America's ladder of opportunity -- a boost up from dependency." The state human service commissioners could not agree more. Our own recommendations for comprehensive welfare reform would do just that: turn what has become an inadequate maintenance system into a system that promotes self-sufficiency for poor families.

Commissioners, through APWA, made recommendations for comprehensive welfare reform in our November, 1986, report, *One Child in Four*, which you have received. Those proposals were introduced in the first session of the 100th Congress in H.R. 1255, the Family Investment Act of 1987.

As the Senate Finance Committee begins its deliberations on the subject of welfare reform I would like to highlight one other statement the President made last week. It was a statement that was very gratifying to

commissioners like myself, and to the nation's governors, for whom we work. Mr. Reagan said, "the states have begun to show us the way. They have demonstrated that successful welfare programs can be built around more effective child support enforcement practices and innovative programs requiring welfare recipients to work or prepare to work."

Our recommendations for comprehensive welfare reform stressed that national policies should be built upon demonstrated state success, particularly in helping welfare recipients get jobs; in providing remedial education and basic skills training so that someone who has never held a job could become employable; in child support enforcement; in cash assistance that is based on real need.

We would like to suggest to members of the Senate Finance Committee that, as you consider S. 1511, the Family Security Act, and other alternatives, you take into account the view of those of us who work with poor children and their families every day. *We know what does not work -- and we know, even more importantly, what can work.*

The legislation before the Senate Finance Committee is a significant starting point in reforming the nation's welfare system. But we strongly believe that it must be -- and can readily be -- strengthened in several very important respects. Let me say from the outset: none of the changes we propose to S. 1511 brings with it a large price tag. But these are important changes, nonetheless.

In December your counterparts in the House of Representatives enacted H.R. 1720, the Family Welfare Reform Act. It, like S. 1511, strengthens child support enforcement efforts. It, like S. 1511, has a mandatory welfare-to-jobs program. It has provisions for child care, and transitional services for families leaving the welfare rolls for employment. In many respects, however, the House legislation is far more comprehensive, and stronger. Yes, it costs more;

and it would accomplish more as well. We would like to urge you to consider strengtening S. 1511 so that it more closely resembles the proposals approved by the House.

Full Range of Basic Education and Employment Activities

First, the state Jobs Opportunities and Basic Skills (JOBS) program in S. 1511 must include basic education and basic skills training. As drafted, S. 1511 would allow a state to put in place a comprehensive welfare-to-work program, but would not *require* states to implement comprehensive programs. States could meet program requirements simply by initiating job search activities for AFDC recipients. State commissioners support state flexibility; nonetheless in this area we believe *comprehensiveness* is essential. Given a comprehensive range of services, a state can emphasize those individual services most needed by a majority of participants in that particular state.

Long term welfare clients need a broad range of education and training supports in order to find and keep gainful employment. We urge you to require a full range of basic education and employment activities in the state JOBS program. We cannot presume that a person receiving welfare over the long term -- or a teen parent, or a recently deserted parent of young children -- has the basic education and skill training necessary to compete effectively in the marketplace. Finding and keeping a job are real concerns. Having the education and the training necessary to land the job in the first place is just as critical.

States and communities need the resource that a national policy requiring comprehensive state welfare-to-work programs would provide. The requirement that our programs be comprehensive -- as the best state programs now are, including my own Connecticut Job Connection, or New

York's Comprehensive Employment Program -- enables us to commit our own state resources to the JOBS program.

Guaranteed Child Care

Second, we urge you to revise the legislation with regard to child care for families engaged in job training and education in preparation for work. The bill as drafted does not conform to the idea that is so important to the national consensus on welfare reform -- the idea of reciprocal obligations between poor families and society, as represented by public agencies.

If you require work or preparation for work of a poor parent, you must guarantee appropriate care for the children. To mandate work, or preparation for work, without guaranteeing child care is unrealistic in terms of a parent's actual ability to participate -- to meet that mandate.

As drafted, the legislation states that child care is "assured" for participating families, but that can mean little more than providing a family with a list of local day care centers. If we are serious about mutual obligations and striving for self-sufficiency, then society's side of the bargain must be kept: the parent must work or prepare for employment, and the agency must guarantee child care and other necessary support services.

Economic Stability

Perhaps the most critical part of the "social contract" between poor families and the larger society has to do with the economic stability poor families need in order to prepare for self-sufficiency. You cannot expect a parent to accept self-sufficiency as a goal, and concentrate on skills training or whatever else is required, if that parent faces constant uncertainty about providing adequate food, clothing, and shelter for the children. We must establish realistic policies to provide cash assistance for families as they seek to be independent of the welfare system.

We understand full well why the legislation before you does not, at this time, provide the changes so critically needed in the cash assistance we provide to poor families. We understand the fiscal constraints that led Senator Moynihan to leave out of his legislation provisions to address the fact that the buying power of cash assistance for children in this country -- AFDC -- has declined by more than 30% in the last 17 years.

At the very least we urge the Senate Finance Committee to add to the legislation a National Academy of Science study of the Family Living Standard proposed by APWA and the National Governors' Association. This standard, a nationally-mandated, state-specific benefit based on real local living costs, could, when enacted, give poor families the economic stability they need while seeking to be independent of the welfare system. It would vastly improve the way we provide assistance to poor families, and do so on a fair and rational basis.

Commissioners have long been on record in favor of simplification and consolidation of rules and regulations governing food stamps and AFDC. We believe a Family Living Standard would be the best means, ultimately, of providing program coordination, streamlining administration, and saving staff time and program dollars. Steps can be taken now to simplify and consolidate these programs in anticipation of more sweeping reform once a Family Living Standard study is completed.

The Family Living Standard study, mandated in the House-passed legislation, would give the Senate Finance Committee the information you will need down the road to complete the task of comprehensive welfare reform. We urge you to add this provision to S. 1511.

Client-Agency Agreements and Case Management

Fourth and finally, we urge you to require client-agency agreements and case management services, which are included as options for states in S. 1511 as now drafted. President Reagan is correct in saying that states, and our human service agencies, are leading the way in innovative approaches to welfare reform. We need the tools to build on this success.

Client-agency agreements and case management services are ways in which poor parents and agencies can work together so that families achieve the goal of independence from the welfare system. Client-agency agreements make clear what each "party" to the agreement must do. Case management can assure families access to those services they need to make self-sufficiency a reality. In a recent position paper on welfare reform the Dayton Hudson Corporation of Minneapolis summarizes this approach very succinctly:

> Every family, regardless of initial circumstances, would be required to have a plan for independence and to work that plan. The plan would include all of the training, counseling, job experience, health care, child care, etc., necessary for the family to achieve permanent independence from the program....Every family would have an assigned case worker to serve as an adviser, mentor, and advocate for the family's independence from the program.

Bipartisan Support for S. 1511

In September, APWA's National Council of State Human Service Administrators voted unanimously in favor of these four major changes to strengthen S. 1511. We also noted those areas in which we believe Senator Moynihan's legislation excells. The child support enforcement provisions -- also based on state innovations -- will strenghthen our ability to hold parents accountable for the care of their children. By mandating coverage of two-parent families, this legislation will end once and for all the perverse and anti-family policy of withholding assistance from children fortunate enough to have two parents in the

home. And, finally, we noted with enthusiasm the fact that the Moynihan legislation is strongly bipartisan.

Our own policy development effort in this area was strengthened by the active participation of individuals who work for Republican governors, and individuals who work for Democratic governors. The governors' welfare reform policies were endorsed by leaders in both political parties. We do not view poverty and the need for welfare reform as a partisan matter. And we congratulate Senator Moynihan for crafting legislation in close consultation with his Republican colleagues on this committee.

Options That Would Weaken S. 1511

I have noted the four areas in which we believe S. 1511 must be strengthened. State commissioners are concerned, as well, with attempts that could be made to weaken the provisions now included in the legislation. I would like to briefly address three such possible changes:

(1) Funding the JOBS program as a capped appropriation. Limiting funding for job training and support services in this way would result in the same kind of yearly battle we have seen over funding for the Work Incentive program. Funding for WIN and WIN-demonstrations has been cut by more than 70% since 1982 despite the demonstrated success of these programs in reducing dependency. It is difficult for us, in the states, to commit our own time and capital to programs when the federal commitment is constantly in question. I urge you to oppose any attempt that may be made to limit the entitlement funding now included in S. 1511.

(2) Participation requirements in the JOBS program. Participation mandates, such as those included in S. 1655, could force states to channel participants through essentially meaningless activities with no appreciable impact on their ability to become self-sufficient, or on our efforts to reduce the welfare rolls. The General Accounting

Office and other credible sources consistently find that high participation mandates are ineffective and short-sighted. Meeting rigid participation levels could drastically increase the cost burden to states. This is not to say that performance standards should not be established, but we must first understand what appropriate measures of self-sufficiency are. My colleagues and I urge you to oppose any movement in the direction of participation mandates such as those included in S. 1655.

(3) **Removing or curtailing the coverage of children in two-parent families.** Our proposals stress that welfare benefits should be based on need, not on family composition. To continue to withhold benefits from children living in 2-parent families discriminates against those children and contributes to instability and dissolution. This view is reflected in the recent book by Stuart Butler and Anna Kondratas, *Out of the Poverty Trap: A Conservative Strategy for Welfare Reform*. They wrote,

> it would be a wise exercise in prevention for all states to provide that assistance to help intact families on hard times, rather than restrict their assistance only to families that have already collapsed.

The record in states that discontinued their AFDC-UP programs--and then reestablished them--is clear on this count. With only one exception, according to a recent Congressional Research Service study, "officials in these states said that elimination of the AFDC-UP program had caused a significant number of families to split." That was the experience in Senator Armstrong's state; that was the experience in Senator Baucus's state; that was the experience in Senator Packwood's state. Oregon reports that 12% of those families formerly receiving AFDC-UP broke up -- and the state has reinstated its AFDC-UP program. In Iowa the numbers are even more compelling: a study there estimates that 73% of the families formerly receiving AFDC-

UP became eligible for regular AFDC due to family dissolution. I urge you to consider this record.

If there are lawmakers concerned about mandating a program such as AFDC-UP in states that have not chosen to implement their own programs, I would argue that we settled the question of a national policy to assist needy children in the original Social Security Act. If we are sincere in our belief in strengthening American families--including poor families with children--then we will provide assistance to children regardless of the number of parents in the home.

We look forward to continuing to work with Mr. Moynihan and his colleagues as the Senate Finance Committee moves this legislation forward.

Thank you.

Testimony Before the
U.S. Senate Finance Committee Hearing
on Welfare Reform
February 4, 1988
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Public Assistance and Unemployment Compensation Subcommittee
U.S. House of Representatives

Mr. Chairman and Members of the Finance Committee, I appreciate the opportunity to share my thoughts on the current status of welfare reform. There now appears to be widespread agreement that nearly every able-bodied person on welfare should either work or prepare for work. We all seem to agree that receiving welfare implies civic responsibility and that people who accept public money have an obligation to try their hardest to prepare for a job and achieve independence.

In fact, this consensus on the importance of work is a major reason a welfare bill passed the House last December. Both Republicans and Democrats want to help families achieve independence from welfare.

Given this agreement on the importance of work, it seems incredible that the welfare bill passed by House Democrats actually contains three provisions that outlaw work.

First, the bill says that no welfare client can be required to take a job unless that job pays at least as much as the pay rate earned by "individuals employed in the same or similar occupations by the same employer".

In an atmosphere where we are urging employers to give a welfare recipient a chance, the bill proposes restrictions, regulations and paperwork. How do you prove that one job is the same as another? There has been no showing that abuse has taken place here, and to add restrictions seems counter-productive and is in fact designed to discourage job referrals.

Second, the House-passed bill tells local welfare officials they cannot require recipients to accept jobs if they would experience a loss of income, including the insurance value of Medicaid. In a high-benefit state like California, this provision could mean that some families can only be referred to jobs that pay over $5 or $6 per hour or more. Few provisions could be more cruel. This provision would prevent referrals to entry level jobs. To obtain a high paying job you must prepare for it. This provision would outlaw referring recipients to jobs that could prepare them for a brighter future.

If a job is available, welfare recipients should take it. Many will still qualify for Food Stamps, and under either the House Democrat or Republican bills or under the Moynihan bill, most will continue to receive help with their day care and with health insurance.

As if these two anti-work provisions were not bad enough, the House-passed welfare bill contains a third provision that defies rational policy making. You may have heard the claim that employment and training programs can actually save money by helping people get off welfare. The most important studies that support these claims were conducted on programs in Arkansas, Virginia, California and other states by the Manpower Demonstration Research Corporation.

Every one of these programs involved some type of direct work experience--that is, experience in actual jobs. Most of these programs involved a particular type of work experience through a program created by the Congress in 1981. This program, called the Community Work Experience Program or CWEP, is now used by 26 states to help welfare parents gain direct experience in the labor force.

Perhaps based on the notion that too much of a good thing is bad for welfare recipients, H.R. 1720 would limit the time welfare families can participate in CWEP. Under some circumstances they could not participate for more than 6 months; under other circumstances for not more than 3 months.

Put simply, these three provisions show that the House-passed bill fosters dependency and restricts work.

The American people do not want to limit work for welfare recipients, and I don't think Members of this Committee do either. If we are to help those on welfare, let's not support any bill that places arbitrary limits on the very thing that keeps our economy going and provides the revenue that finances important social programs like welfare.

The Moynihan bill contains only one of these work prohibitions--the one stipulating that AFDC recipients cannot be forced to take a job if the compensation does not exceed their current benefits, including the value of food stamps and the insurance value of Medicaid. If we are agreed that productive work is a key to escaping poverty, why restrict it at all. Work should be the focus of welfare reform. It follows that we should encourage work, not place roadblocks in its path. To unduly restrict local officials and fail to provide a fair test of the proposition that employment and training programs can help families escape welfare would be folly.

Closely related to our concern with prohibitions on work is our concern with exempting mothers with children less than age 3 from education, training or employment. Why restrict a mother who has child care available from completing high school or from working part time? Currently, about half of American mothers with children under age 1 are in the labor force. Why treat welfare mothers differently than working mothers? Full time work is not required --only some evidence that young mothers are at least preparing for work. They could stay in or return to high school, work on a GED, or train for work part time. And remember that our bil states clearly that day care must be provided or work cannot be required.

But the most important reason we must require participation by mothers with young children is that this group is in great danger of becoming long-term welfare recipients. All the research seems to agree that mothers who enter AFDC with infants or young children, especially young mothers who do so, are more likely to be on welfare for eight or more years than other mothers. According to Mary Jo Bane and David Ellwood of Harvard, over half of AFDC recipients at any given moment are in the midst of welfare spells that will eventually last at least eight years. In many states--New York comes immediately to mind--these mothers and children can easily consume $80,000 in AFDC, Food Stamp, and Medicaid benefits over a period of eight years. Thus, it is wise policy that focuses on this group of mothers and tries to help them achieve independence through work.

And yet, both the House-passed bill and the Moynihan bill discourage states from focusing employment services on precisely the group most likely to become dependent on welfare; namely, those with young children. Let's be smart and do what impartial

analysis says must be done. Let's avoid the pressure from advocates who want to force states to have these mothers stay home for three years. And let's do so while at the same time assuring that needed child care is provided and allowing the states to require only part-time participation by mothers with children under age three.

These anti-work provisions must be dropped. They make no sense--that much is clear. But even if you like them, you must nonetheless realize that a bill containing any one of them is likely to be vetoed by the President. Members who support these provisions must ask themselves: Are we willing to sacrifice welfare reform on the altar of interest-group politics?

In addition to these anti-work provisions, there are several other considerations that House Republicans would like to call to the attention of the Committee. Foremost among these is the impact of welfare reform on state spending. During floor debate in the House, Democrats claimed that their bill would save states money while the Republican bill would cost states money. Republicans claimed the opposite.

Fortunately, we have the Congressional Budget Office to resolve these disputes. According to official CBO estimates, the Democrat bill passed by the House will impose $697 million in new costs on the states over five years. By contrast, the Republican bill would save the states $479 million over the same period. As currently written, the Moynihan bill will impose $542 million in costs on states.

The major item driving state costs in the Democrat bills is the AFDC-Unemployed Parent program, but generous transition benefits also play an important role in driving up state costs. In other words, it is welfare expansions and direct and indirect benefit increases--not the costs of employment and training--that are responsible for high state costs.

We in the Congress must always be concerned about imposing new costs on state governments, but we must be especially concerned about the impacts on poor states. In the case of AFDC-UP for example, the new costs would fall disproportionately on poor states--like Louisana--and states in the midst of fiscal problems--like Texas. Do we really want to force states that are poor or financially strapped to spend their money to expand the welfare rolls? If we did so, would these states cut back on other provisions that benefit poor citizens?

Nor should we forget to carefully consider the effect of welfare reform on federal costs. As this Committee meets this morning, your colleges on the Budget Committee are hearing bad news from the Congressional Budget Office. CBO estimates show that the federal deficit for FY89 may be as high as $176 billion. It follows that in order to meet the Gramm-Rudman-Hollings deficit target next year, we may need to find new savings of about $40 billion.

Would any Member of this Committee assert that a welfare reform bill like that passed by the House, which will impose nearly $6 billion in new spending on the federal budget, is a step in the right direction? Even the more responsible Moynihan bill would still cost $2.4 billion over five years. Under the circumstances, it is reasonable to urge the Finance Committee to take a very careful look at the Republican bill sponsored by Senator Dole, the cost of which is only $1.1 billion over five years.

Despite the fact that the bill sponsored by Senator Dole costs so little for the government and actually saves money for the states, official CBO estimates show it to have far greater impacts on work by AFDC families than either H.R. 1720 or the Moynihan bill. More specifically, the Moynihan bill will result in 36,000 additional participants in work programs, the House Democrat bill in 210,000 additional participants, and the Republican bill in 935,000 participants.

Similarly, the Moynihan bill would result in only 10,000 families leaving welfare as a result of work and the House Democrat bill in only 15,000 families leaving welfare. By contrast, under the Republican bill, 50,000 families would leave welfare. In short, the bill sponsored by Senator Dole purchases lots of work and reduced dependency for far less money than either of the Democrat bills. For this reason alone, Senator Dole's bill deserves very careful scrutiny by Members of this Committee.

The major reason the Republican bill achieves these impressive impacts on work is that it contains something no other bill has; namely, participation standards. For Republicans, participation standards that require states to involve a specific percentage of their AFDC caseload in employment and training programs is the centerpiece of welfare reform. For the first time, participation standards would ensure that states make a serious commitment to reducing dependency through work. The Committee should realize that any bill that does not contain participation standards is likely to be vetoed by the President. Again, we urge that you give careful attention to this crucial aspect of true welfare reform.

In this regard, we want to respond to our critics in the media, at the Manpower Demonstration Research Corporation, and in the Congress who assert that our bill is cheap and would force states to meet participation standards by putting AFDC recipients in inexpensive and therefore ineffective employment programs. The recent MDRC study in Illinois, for example, has been used as evidence to "prove" that our bill will not help reduce dependency because cheap employment programs are a waste of everyone's time.

According to CBO estimates, the Republican bill would provide the states with a total of about $2.4 billion in combined federal and state money to conduct their employment and training programs. Given the CBO estimate of 935,000 participants who would receive training under our bill, simple division shows that states would have a maximum of about $2,250 per training slot to conduct their programs. However, because of the way our participation standards work, the per client cost used by CBO may be an underestimate. But even assuming the worst case scenario, which we think extremely unlikely, states would still have about $600 per recipient to spend on employment and training.

Is this enough? We can look to MDRC for an answer. As Members of this Committee know, MDRC research in several states showed that employment and training programs in some of the states, based primarily on job search and work experience, are cost beneficial; that is, they produce more savings than the expenditures required to produce the savings. Of the eight state programs, only two spent more than $600 per registered recipient, and one of these spent $636. Thus, even under the very worst assumptions, our bill produces enough money to achieve the savings found in the MDRC studies.

Even more to the point, the Illinois program used as evidence against our bill spent only about $150 per recipient. Claiming that the results of an employment program spending $150

per participant can forecast the results of a program spending at least $600 per recipient is disingenuous. There is plenty of money in the Dole bill for the state's to meet their participation standards and still conduct efficient employment and training programs.

Critics should also realize that MDRC studies suggest that expensive state programs, like cheap state programs, might fail to be cost effective. The most expensive state program, with an average cost of over $1,000 per registered participant, was conducted in Maryland. MDRC found that this expensive program was one of the few that was not cost effective. Thus, we are a little surprised that researchers and advocates point only to the possibility that too little per-client spending would be inefficient. As the Maryland results show, spending too much per recipient can also be a waste of money. So we don't want provisions that allow states so much money that their programs are inefficient.

The window of opportunity on welfare reform is now nearly closed. The House has produced a bill that spends most of its vast sum of money on welfare expansions and benefit increases. Further, its work provisions are nothing more than a rehash of the unsuccessful WIN program. At the same time, it would impose significant new costs on states and substantially restrict their own needs.

The Moynihan bill is better, but it still contains a few undesirable features and lacks an employment program with any punch.

If the Senate passes something along the lines of the Moynihan bill, the likely outcome of a House-Senate conference would be a $4 or $5 billion welfare bill that does not meet the requirements of a bill the President could sign. Thus, he will veto the bill and welfare reform in the 100th Congress will be dead.

Meanwhile, the Republican bill, which costs the federal treasury only $1 billion, saves the states nearly half a billion dollars, contains stronger child support enforcement provisions than any other bill, provides nearly one million AFDC families with a chance to leave welfare by acquiring the skills and experience requisite to productive work, and has been endorsed by the President, will have been squandered without serious attention.

Wise policy must sometimes be puchased at the price of political risk. The last chance for welfare reform in the 100th Congress rests with the Members of this Committee. My hope is that you will have the foresight and courage to report out the Republican bill sponsored by Senator Dole and bring the nation a step closer to breaking the terrible grip of dependency on millions of welfare families.

STATEMENT OF

INTERNATIONAL BLACK WOMEN FOR WAGES FOR HOUSEWORK

AND

THE INTERNATIONAL WAGES FOR HOUSEWORK CAMPAIGN

The International Wages for Housework Campaign and International Black Women for Wages for Housework are submitting the following statement to be part of the official record of discussion on the Family Security Act (S. 1511).

The Wages for Housework Campaign, in its present form, is 16 years old, while our basic demand to get women's unwaged work in the home and on the land counted and compensated is a much older demand--so far we have traced it back to the turn of the century. We are a national as well as an international, non-aligned network.

Our network includes a wide cross-section of the population--we are Black, Brown, and white, married and not married, Native American and immigrant, mothers and non-mothers, lesbian and straight, grandmothers and students. Some of us are on welfare, some of us are full-time housewives not on welfare, some work outside the home. International Black Women for Wages for Housework is an autonomous group of women of color within the Wages for Housework Campaign.

Our network includes thousands of supporters. We live 24 hours a day the issues you are addressing in S.1511. We're a different kind of expert from most you have heard from so far. We have no paid lobbyists, we are expert in the problems of caring for people and keeping our communities going.

We are proud of our achievements, which include among other things establishing the fact that women work inside the home as well as outside, and in so doing redefining work and who is a worker. One of our greatest successes is achieving passage of the United Nations resolution that governments must start to count women's unwaged work in the home and on the land in the Gross National Product. (Read on for more on this agreement.) We are presently working to get this resolution implemented.

EVERY MOTHER IS A WORKING MOTHER

Proponents of Congressional "welfare reform" proposals claim to have the best interests of women and children in mind. In fact, just the opposite is the case. This statement aims to demonstrate some of the ways in which Senate Bill 1511, entitled the Family Security Act, as proposed by Senator Moynihan (D-NY), undermines not only women on welfare but all women. In fact, the Family Security Act is a policy not only on welfare but on race and gender, setting the tone for how women and minorities are to be treated by the government and by the society generally.

First, we must register our concern about the relative lack of women's participation in the hearings on S.1511. We are shocked that women who will be directly impacted by the legislation were not sought as participants. Only after a spokeswoman for the Wages for Housework Campaign (whose membership includes welfare recipeints as well as many other sectors of women) stood up in the final hearing on S.1511 before the full Senate Finance

Committee on February 4, 1988, and protested the lack of women's voices heard on legislation that would greatly affect women (98% of women receiving AFDC are women), was our voice allowed to be

heard at all. It is a grave error that both the subcommittee hearings and the full committee hearings were dominated by bureaucratic experts--heads of social services agencies, elected officials, etc., while those who must live out, 24 hours a day, the policies being discussed were either not heard at all or granted only token participation. Grassroots women are in the best position to say what is best for ourselves and our children. We must make clear our definition of grassroots. By grassroots women, we mean women with the least access to money, resources, and the halls of power.

The main thrust of welfare reform as it is being discussed on a national and state level is workfare -- women being required to 'work' or participate in education and training programs in order to get their welfare check -- in other words, forced labor. It is said again and again that women should be working, they must earn their way. What policy makers are omitting to notice or are evading in their conclusions is that women are already working, that homemaking and childrearing is a full-time job, that those of us in waged jobs are doing the double shift, and that workfare would in fact be a forced second job for welfare mothers. A growing movement of women has fought to establish the economic value of housework. As a result, scores of studies are being done on the value of housework by a range of researchers, from insurance companies to law firms to think tanks like the Rand Corporation, which in 1986 estimated that the value of housework in the U.S. is $700 billion a year.

When we compare that $700 billion worth of housework with the approximately $18 billion a year now spent on AFDC, with the $147 billion legislators claim is too high a price tag to pay to implement comparable worth, and with the pitiful lack of quality childcare programs, we can see that we get little or nothing in return for our tremendous contributions. Despite all the lip service to motherhood and the family, women and children are at the bottom of the priority list, and when we do become a priority issue -- such as in the welfare reform discussion -- the focus is on how to get us to work even harder and to force us into further dependence on individual men.

The Double Day

The debate on "welfare reform" has so far centered on the assumption that women are not "working" until they enter waged employment. According to Senator Moynihan: "A program that was designed to pay mothers to stay at home with their children cannot succeed when we observe most mothers going out to work." (Ms. Magazine, November, 1987). Senator Moynihan is frequently quoted as saying he "looked up one day and women were working," that is, doing waged work, and therefore women on welfare should be mandated to work.

In reality, Senator Moynihan looked up one day and women were doing the double shift -- housework and a waged job -- because women wanted not to be institutionalized in the home, with or without money! Many women feel that dignity and independence seem to come only with a job outside the home and a paycheck. Also, men's relative wages had dropped so low that many families could not survive without two incomes. Households headed by married couples account for 44% of the poverty increase in the U.S. since 1979. Eighty percent of married women in waged jobs are with men earning less than $20,000 a year.

Women are doing the double day because we have to. Because we live in a society that does not value our work, we are forced to do the 24-hour-a-day shift. No consideration has been given to the price women and our children pay for this double day and for the lack of public support for women in waged employment. The

American Federation of State, County and Municipal Employees, AFL-CIO, has noted its concern on this issue. They say: "Even though many women with children work, it is not easy to juggle parental and job responsibilities. The fragility of childcare arrangements, frequent early childhood illnesses, and unsympathetic employers can put a mother in the untenable position of choosing between economic security and the well-being of her children. Welfare dependent families are especially vulnerable during such times because they do not have the resources to fall back on that better-off families have. A mandatory rule could well push these mothers into choices that are detrimental to their children's interests."

However, in order to protect ourselves from complete exhaustion, women have also limited their amount of time in waged jobs. Of the 69% of married women in waged jobs, only 29% work full time year round. But recent studies suggest that while men's leisure time may be increasing, women's leisure time is decreasing. According to the Journal of Physical Education, Recreation and Dance (Oct. 1981), "Male members of many households may tend to get more free time and greater flexibility in using it, while their female partners will probably become increasingly burdened with five-day workweeks and catching up on household chores after work and on weekends." (Vaske and Donnelly, "Workstyle Choices and Recreation patterns"). As one woman put it, "Women don't retire, we just tire. And now they're saying it is normal for a woman to do two jobs. Are they saying it is also normal for a man to do two jobs?" In fact, more work is precisely what policy makers are mandating for women.

The women's movement has fought long and hard for choices for women, not for men on Capitol Hill to decide for us how much work we should do, and at what age we must leave our children. We strongly support thse choices. Women in the waged workplace should have all the necessary support they need, including comparable worth programs, in order to be able to stand on an equal footing with their male counterparts. We wonder what experts are offering to support their proposal that poor women must be separated from their children at the age of 3, or even at the age of one, and for teenage mothers that they must be separated from their children pretty much at birth!

Women Count, Count Women's Work

What happens when the mother of a small child goes out to the wages job? Mothering Magazine (Winter 1988) describes one all too familiar scene, one that many women suffer through each morning and then worry about or feel guilty about throughout the waged workday: "Fourteen-month-old Ann is peacefully sleeping at 7 a.m. Mother has to go to work, so she wakens her. Ann is still tired because she was up late last night shopping with Mother. She is so crabby, she does not want to eat breakfast. Since Mother has to leave, she hands Ann a bottle as they rush out the door. Ann falls asleep in the car on the way to the sitter, and is jolted awake again upon arrival. She is fussy all day because of disturbed sleep. What she needs most is an easygoing day and a lot of cuddling, but Mother does not have time and the sitter is preoccupied." (Dorothy Dimitre, "The Importance of Will.")

Meanwhile Christine Pratt-Marston, a former welfare mother from Washington state, observes: "If I stay home and care for my children, the administration thinks I'm lazy. If I care for someone else's children, I'm a productive worker--like the person I must hire to care for my children! If poor mothers were paid a wage for caring for their own children, at least women's at-home work would then be part of the Gross National Product."

It is critical that women be allowed to spell out for legislators the work involved in being a mother receiving AFDC. (See Appendix A for description.) This work includes, on top of the regular work of housecleaning and caring for their children, the money-saving tasks of hunting for cheaper food in bargain stores, cooking food from scratch (and cheaper foods often take longer to prepare), mending clothes, and cleaning clothes by hand. If she doesn't have time to do this work because she is in a waged job, she will have to pay to get it done, purchase more expensive foods that don't take so long to cook, purchase take-out foods, etc.--time is money.

It is also critical to look at how a community would be impacted without the full-time housework of welfare mothers. The volunteer work of welfare mothers is counted on to supplement many communities' meager education and recreation budgets. As one teacher in an inner-city school in New York City put it, "Welfare mothers were there during the day. They had the time to come down and see what was going on in the schools, to organize for breakfast and after-school programs. Mothers in waged jobs were generally only seen once a semester on parent-teacher nights, they were just too tired from exhausting low-waged jobs, mandatory overtime, and from doing the double shift of housework on top of the waged job to be as active in community concerns as women who were full-time in the home and therefore full-time in the community."

It is beyond dispute that housework and childrearing is work. One estimate puts the services of the average Western housewife at 3,000 to 4,000 unsalaried hours a year, or 60-80 hours a week. (The Global Kitchen, Housewives in Dialogue submission to the United Nations, written by Selma James, 1985, p. 2.) Noted economist John Kenneth Galbraith stated that "women's household work in the United States would, if counted, amount to as much as 24% of the U.S. GNP. (Ibid., p. 12). In 1985 a report commissioned by the Carnegie Corporation and the Ford and Rockefeller Foundations claimed that about one-third, or four million million dollars, would be added to the GNP of the world by the unpaid labour of women in the household." (Ibid., p. 15). Internationally, according to the Women's World Survey, that figure is a whopping $4 trillion. Prudential Life Insurance, Parents Magazine, and Cornell University have all done studies on the dollar value of housework, their estimates range from $14,500 to $35,000 per year. Lawyer Michael Minton puts the estimate as high as $71,000 per year--a figure increasingly used in middle and upper middle class divorce cases.

According to Dr. David Gill, Professor of Social Policy and Director of the Heller School at Brandeis University: "Childbearing and child rearing are not merely private and familial functions but are also societal functions and 'investments' since they assure the continuity and survival of a society. These functions are usually performed by families as 'agents of society.' But society as a whole, having, supposedly, a very real interest in the optimal development of every newly born citizen should share responsiblity for his rearing and socializeation. Efforts and energy invested, and work performed, towards these objectives, should be considered components of the Gross National Product."

This line of thinking is just the opposite of that of workfare policy makers, whose basic premise is that the responsibility for care of children must rest with the parents and that society's only role should be that of providing grudging charity with numerous disincentives attached.

According to Dr. Gill, "Society should...compensate mothers who choose or are obliged to stay out of, or to disengage themselves partly or completely from, the labor market, in order to engage in childcare....[T]he unpleasant truth needs to be faced that unless society compensates mothers for their partly voluntary, partly forced withdrawal from the labor market, and for the assumption of the complex tasks of childbearing and rearing, it is actually exploiting the biological role of women as a basis for the recruitment of 'childcare slave labor.'" (Unravelling Social Policy, Schenkman, 1981.)

When one looks at the replacement costs for just one aspect of a welfare mother's unwaged work, i.e., child care, you get some idea of how much, in fact, she is contributing. But women are rarely if ever only doing one job. At the same time a housewife is doing child care, she is also doing other tasks.

The United Nations Non-Governmental Organization Housewives in Dialogue, in its submission to the UN entitled The Global Kitchen, says: "As a rural housewife is tending her vegetable patch, she may have an infant on her back and a toddler wandering nearby who needs constant watching and a running convesation. She may also be figuring out what to feed them when she returns home and how to fit the rest of her day's work into the time before nightfall. Six or seven 'little problems' may be sorting themselves out in passing. Thus she is doing at least three and probably more jobs at once. A city housewife is often stirring the pot with one hand, taking phone messages with the other and doing child care with her eyes and one free ear. Such multiple work is not only common, that's what housework is, what women have trouble explaining to men, and what men are very rarely trained to do. Any housewife considers herself deficient if she is not carrying on a number of processes simultaneously; in fact she would never finish unless she had learnt to work at this intensity." (The Global Kitchen, p. 12.)

Housework and childrearing are compounded when a woman also has to buffer the emotional stress and pain as a result of racism, sexism, and poverty not only for herself but for her entire family.

The Invisibility of Poor Housewives

We are concerned about the extremist view put forward by many policy makers and a few careerists in minority communities that the poverty of women and children of color has nothing to do with racism, that it is caused by the inadequacies of those of us who are poor--in particular, by welfare mothers. This outrageous conclusion ignores women's contribution in the unwaged sphere, ignores an entire history of racism and exploitation of unwaged and low-waged people, and ignores that society is organized in such a way that even very young children clearly understand the racial and economic hierarchy. Any teacher of a multi-racial nursery school or kindergarten will inform you that the relationships between their students already reflect racist attitudes.

The implication that poverty is our own fault is based on the assumption that we are lazy and that if we weren't so lazy, we wouldn't be so poor. In fact, just the opposite is the case. The poorer we are, the harder we are forced to work. As "Women Count--Count Women's Work, A Petition For All Women to All Governments," which is being circulated internationally by the International Wages for Housework Campaign, points out: "[W]omen are the poorer sex, Black and Third World women are the poorest of all, and the poorer we are the more work we are forced to do."

To claim that poverty is self-inflicted hides the tremendous burden of unwaged work carried by poor Black, Native American, and immigrant women who have to work to keep individuals and communities, life and limb, together while suffering from a daily onslaught of racist attacks, from the constant threat imposed by economic insecurity, and from meager social service support. This line of thinking is equivalent to blaming the Black people of South Africa for apartheid, blaming Third World people for technological underdevelopment, and blaming women for getting low wages or no wages at all. It can end up with a representative of one of the richest families in America espousing in one Senate Finance Committee hearing on S.1511 the dignity of earning $1.00 a day -- easy to say when one has millions in the bank! In "The Invisibility of Black Housewives," Housewives in Dialogue has pointed out to all of us what millions live on a daily basis: "Black and immigrant women are literally exhausted and sometimes even ill from making up in personal effort for the deprivations, economic and social, that their families are suffering."

Wiping A Troubled Brow

Historically women have grappled with unwaged work and the double day. In the early part of this century, Crystal Eastman, a campaigner for women's rights in the U.S., asked: "What is the problem of women's freedom? It seems to me to be this: how to arrange the world so that women can be human beings, with a chance to exercise their infinitely varied gifts in infinitely varied ways, instead of being destined by the accident of their sex to one field of activity--housework and child-raising. The second, if and when they choose housework and child-raising, to have that occupation recognized by the world as work, requiring a definite economic reward and not merely entitling the performer to be dependent on some man." (Quoted in "Introduction", The Disinherited family, Falling Wall Press, 1986.)

Housewives in Dialogue also told the United Nations that: "Caring for others is accomplished by a dazzling array of skills in an endless variety of circumstances. As well as cooking, shopping, cleaning and laundering, planting, tending and harvesting for others, women comfort and guide, nurse and teach, arrange and advise, discipline and encourage, fight for and pacify." (The Global Kitchen, p. 6.)

Perhaps Erma Bombeck's rather satirical account of the value of housework sums up much of metropolitan women's frustration. We would like to submit for your observation her views. (Appendix B.)

Workfare Doesn't Work

Since workfare programs have not proven succesful, it is difficult to understand the push for mandatory programs. The Los Angeles Times states that "[a]lthough the welfare-to-work programs have generated enormous attention, their impact so far has been relatively modest. Manpower Demonstration Research Corp. conducted a 5-year study in 8 states and found that the programs increased the number of people who got off welfare by an average of just 5%." (Oct. 4, 1987.)

Labor writer for the Los Angeles Times Harry Bernstein observes, "[I]t is difficult to get productive work out of people who are forced into jobs they don't want." (Los Angeles Times, Jan. 19, 1988.) Statistics from the U.S. General Accounting Office "show that workfare programs increase, not decrease, the cost of public assistance." (Friends Committee on National Legislation, G-751, Nov. 1987.) And only "1-4% of the participants are hired as permanent employees by their workfare sponsors." (Ibid.)

The GAIN program in California (also a mandatory program) has been rewarded as a model system for the country. However, even before full implementation, GAIN has run into serious problems. Planners, who originally assumed that only 15-20% of AFDC recipients would need remedial training in basic skills, have now placed the figure at 67%, which will increase program costs, while the governor has cut the proposed budget. This will make it impossible to train those who need basic skills.

More bad news for GAIN was reported in the December 1987 issue of The Progressive: "GAIN has found jobs for only 3,788 of its 27,800 participants. Although the state expectds to spend more than $200 million a year on workfare, realistic welfare officials expect few GAIN recipients to leave the welfare system. A GAIN welfare official estimates 3% of GAIN graduates will make it off the welfare rolls."

Welfare: Every Woman's Right

Although welfare started out under the Social Security Act as a pension for widows, women have used welfare as an insurance policy against starvation and complete dependence on men. Welfare has been there if we choose not to be with men or when men desert us. Until recently, it has kept many women and children from complete destitution. Now payments are so low, over 100,000 women and children on welfare are homeless. According to testimony by Congressman Ford at the Senate Subcommittee hearings, AFDC benefits have declined in real terms by 33%. In fact, present averages of benefit levels are shockingly low: "Eight states allow less than $200 per month to the typical AFDC family of a mother and two children; the median benefit for this size family is $354 per month. When combined with food stamp benefits, the income of a family of three on the AFDC program approaches the poverty line in only nine states (i.e., nine states offer combined benefits that are above 90% of the federal poverty line). In another 15 states, the combined benefits come to less than 2/3 of the federal poverty line." (Friends Committee on National Legislation, G-736, December 9, 1987.)

Senator Moynihan has said, "It is bad enough that we, in S. 1511, the Family Security Act of 1987, are not attempting to raise and index children's benefits." We couldn't agree more. It is an outrage that S.1511 has no provision for an increase in AFDC benefits.

Unlike most Western countries, where there is a system of family allowance payments to all women with children, welfare is the only money women in the U.S. get in our own right for the work of homemaking and childrearing. Given the low economic status of women, many of us not on welfare have known that we were just a man away from welfare. When we do enter the waged workforce, 25% of us earn less than $10,000 a year working full-time, and only 10% of us earn more than $23,000 a year.

In the 60's during the massive welfare rights movement mainly led by Black women, women made the case that housework was a job and that welfare was a right, not a charity. State planners, using Senator Moynihan's work as their point of reference, became alarmed at what they saw as the "disintegration of the family" (we called it taking our autonomy from men) and the erosion of the work ethic (we called it refusing low-waged, dead-end jobs). That housework is a job is not new. Black women have been paid for generations for doing housework in white people's houses--when we did that work for no pay, it was called slavery.

Senator Moynihan's famous 1965 document, "The Negro Family: The Case for National Action," was met with outrage by Black communities because it blamed the Black community for the problems they faced, on the one hand, and proposed as a solution that Black men should go into the Army to be trained to reassert their manhood. Since then, welfare mothers have been under attack, constantly portrayed as trying to get something for nothing and as being lazy scroungers living off other people's hard work.

Another myth about welfare mothers is that women have babies to get larger welfare checks. This is a myth well-loved by the media and by those for whom welfare mothers are a political football. This myth has been discredited time and time again, most recently by Science Magazine, (Jan. 29, 1988), which concluded: "Amounts of AFDC payments are found to have no measurable impact on births to unmarried women and only modest effect on rates of divorce, separation, or female head-of-household status."

In a summary of S.1511, Senator Moynihan clearly states that the purpose of the bill is "to place the responsibility for children's poverty squarely on the shoulders of their parents...." According to this assumption, the problem is not racism but race: Black parents are responsible for Black children's greater poverty. In the same tradition, Bill Moyers' piece for CBS-TV, "Crisis in Black America: The Vanishing Family," lays the blame for poverty in the Black community squarely on the shoulders of welfare mothers.

Some feminists have agreed with this point of view and have argued that women being paid for housework (and even women getting welfare) would institutionalize us in the home and therefore undermine women who work outside the home by discouraging the movement to make way for women's waged employment. Many feminists in careers or with career prospects focus only on issues related to waged work, further isolating them from women working full-time in the home and, in particular, from grassroots women, who have a wide range of bread-and-butter demands, such as increases in welfare payments.

Since women in waged jobs are also doing the double shift, some greatly depend on low-waged Black and immigrant women to do their housework or childcare. Women who are dependent on childcare workers and housekeepers in their home in order to have a career, or jsut any waged job, find that part of their double-shift role is to be management for relatively low-waged domestic workers. And in fact when the Simpson-Rodino immigration law was introduced and passed, few feminist employers of immigrant domestic workers came forward to protest the difficulties the bill created for their employees.

Some women argue that we just have to accept without complaint the burden of both jobs. But most women know being superwomen is not the answer, that something must be done to ease the tremendous burden of work. Increasing numbers of women are just refusing some of that work and responsibility. In fact, according to Senator Moynihan, the American birth rate dropped below the replacement level 15 years ago, and according to Working Mother Magazine, (May 1986): "Members of the 'breakthrough generation,' women who entered business and the professions in the early '70s, are now almost 40 years old--and the majority have not had children. Surveys show that 52-65% of such women remain childless. (Compare this to their male colleagues, where only 10% have failed to have children.)" Women are clearly refusing to have children in order to survive being "superwoman" and in order to be on as equal a footing with men as possible in competing successfully in their chosen careers.

Other women argue that we must get the men to equally share the housework--an impressive sounding goal that many women share--but let's look at the reality of most women's lives. The statistics show that men are not equally sharing the housework. According to Family Politics: Love and Power on an Intimate Frontier, "On an average, wives do 70% of the housework, while husbands and children each do about 15%" According to Newsday, "A study done at Northwestern University recently found that women typically do more than 80% of the housework, even those women who are holding full-time jobs."

Many women married to men who do shiftwork or mandatory overtime, or who are active in on-the-job organizing, know that unless things drastically change in the way waged jobs are organized, and we agree that things must change in that respect, an equal sharing of housework will remain a pipe dream. But instead of addressing all women on the mutual problem of overwork and underpay, legislators seem to want to create conditions that would keep us divided as women. Legislation such as S.1511 will only fortify divisions between women working full-time inside the home and those working outside the home.

In attempting to use the feminist sector against women and to make women work even harder than we already are, policy makers used the occasion of lack of consensus among women on the issue of housewives' right to money for housework to build support for workfare programs, using the feminist demand for jobs and careers as a basis for attacking poor housewives' right to independent money of our own in recognition for work done outside waged jobs. Workfare will be used not only to abolish welfare as a right and to dampen growing support for women's right to wages for housework, but also to undermine women who work outside the home by creating an army of scabs who will be forced by the government to do the same jobs for either lower pay or no pay at all.

Welfare Mothers Demand Higher Education

In the 1960's, welfare mothers were at the forefront of the successful campaign for open admissions to colleges for all high school graduates in New York City. They pressed demands for money and remedial programs which would financially enable their children to continue at school and improve their academic skills, giving them a chance in an academic setting. As a result of their efforts, the SEEK (Search for Education, Elevation, and Knowledge) program was won to provide academic and financial assistance to academically and financially disadvantaged students attending four-year colleges in the City University of New York.

The SEEK program came under constant attack. In particular, students on welfare, who were mainly single mothers, were accused of welfare fraud for receiving welfare as well as financial assistance for attending the University. Black Women for Wages for Housework, along with students who were impacted, formed the Queens College Women's Action Group, which led the fight for the right of welfare mothers to go to a four-year university. Their slogan was, "Education is an access to a wage." Along with organizing within the university system, the women organized community support and also worked with the Black Caucus in the New York State Legislature in an attempt to legislate to ensure the right of welfare mothers to higher education. The case was, instead, won in the courts.

We were pleased to see the testimony of Chancellor Murphy, of the City University of New York, as well as of City Councilwoman Ruth Messinger, in the Senate hearings on welfare reform, supporting the demands for the right of welfare mothers to higher education

and for support systems that would enable them to go to university, demands that were considered quite radical when they were first put forward more than a decade ago by the Queens College Women's Action Group. The victory in court referred to earlier, as well as their testimony, is a victory for welfare mothers and faculty who supported their demands and for all students in the City University of New York system. That campaign and victory demonstrate how welfare mothers themselves are in the best position to determine what their needs are and how those needs can best be met.

Women Take Our Case To The United Nations

Women used the occasion at the UN Decade for Women, and the statistics coming out of the decade about the enormous amount of work women internationally do, to press our demands to have all our work counted in the Gross National Product. The implications for welfare policy of counting women's work in the GNP are far-reaching. According to Senator Moynihan, "If American society recognized home making and child rearing as productive work to be included in the national economic accounts...the receipt of welfare might not imply dependency." (The Politics of a Guaranteed Income, Vintage Books, 1973.) According to the UN, women do two-thirds of the world's work for 10 percent of the world's income and 1 percent of the world's assets, a figure that also reflects the reality of life for women living in the U.S. For example, census data in the U.S. usually do not include farm wives as workers unless they have off-farm jobs. The Wages for Housework Campaign, with the support of thousands of women, successfully organized and lobbied for the passage of a UN resolution (Paragraph 120 of the Forward-Looking Strategies) at the UN End of Decade Conference for Women which calls for all women's work, waged and unwaged, in the home and on the land, to be counted in the Gross National Product.

"The remunerated and, in particular, the unremunerated contributions of women to all aspects and sectors of development should be recognized, and appropriate efforts should be made to measure and reflect these contributions in national accounts and economic statistics and in the gross national product. Concrete steps should be taken to quantify the unremunerated contribution of women to agriculture, food production, reproduction and household activities."

The U.S. twice agreed to this UN resolution, and in debate in the General Assembly of the UN in November 1985, Paragraph 120 was singled out in the statement by the US mission to the UN, as one that was important to women.

"An example of a simple goal traveling a complex road to achievement is paragraph 120. We heartily agree that the important though unremunerated work of professional homemakers should be in included in calculations of Gross National Product. To facilitate this we must gather a great deal of information from a variety of sources on the numbers of homemakers; definitions of responsibilities; a numerical quotient for each of several categories and then an examination of what legislation may be required." (Statement by Maureen Reagan, U.S. Representative to the UN Commission on the Status of Women, in the Third Committee, on Item 92, The UN Decade for Women, November 5, 1985)

Mandatory work/workfare ignores that wome's unwaged work should be counted and undermines not only women on welfare but all women. As one "company wife" has put it, "I've done all this work all my life, raising a family with the extra burden of having to move every few years when the Company said, 'Move!'

Telling welfare mothers that their work is worth nothing is saying the work I've been doing all my life is worth nothing, because we are both doing this unwaged work." It seems that the forward-looking strategies for women that Congress (or at least some in Congress) have in mind are for women to work harder for nothing or next to nothing, to push us back into dependence on, and therefore to the discipline of, individual men. The Catholic Church, in the Papal document on The Family, has agreed that the idea of the family wage is outdated, that individual men just don't earn enough to support their families, and that housework should be paid for by the government.

Remuneration for work must be sufficient for establishing and maintaining a family with dignity...through... social measures such as family allowances or the remuneration of the work in the home of one of the parents....
--Charter of the Rights of the Family, Holy See, 22 October 1983

Provisions of The Family Security Act (S. 1511)

Child Support Supplements

A key provision of the Moynihan bill is to replace AFDC with a Child Support Supplement (CSS) Program. Child support payments will be withheld from the father's wages and kept by the State as a repayment for a portion of the mother's welfare check. The balance of the welfare check would be called Child Support Supplements, which the mother could be required to work off in mandatory work projects. This results in us being more dependent on men, and makes us and our children more vulnerable to men we may no longer want to have anything to do with, including for reasons of personal safety.

The requirement to work off the difference between the child support check from the father and the total welfare check places the heaviest burden on women from poor Black and immigrant communities. Since men from these communities generally earn lower wages than white men, and since the amount of child support a man is required to pay is based on his income, women from these communities will be required to work the longest hours. This is a policy on race--in other words, racism.

S.1511 "requires mandatory wage withholding from the absent parent in all cases, before there has been any showing of bad faith or actual failure to make timely child support payments." What guarantees does S.1511 provide to ensure that men whose wages are garnished will not lose their jobs, which can only further impoverish their dependents? Will children benefit if their fathers are fired for having their checks garnished? What protections against such discriminatory policies are available to workers who don't have a union that will defend them?

One of Southern California's major employers, the Southern California Gas Co., made a practice of disciplining workers whose wages were being garnished. Presumably it would still be doing so if the union hadn't taken the matter to arbitration and demonstrated that the Company policy on garnishment had a disparate impact on Black employees. Although only 11% of the workers were Black, 40% percent of those disciplined for having their wages garnished were Black.

Requiring Paternity Be Established

An important part of the CSS program is the establishment of paternity for all children. States will be required to collect Social Security numbers from parents at the time of a child's birth and establish state performance standards for paternity

determinations. It is suggested that steps to establish paternity be taken before a child leaves the hospital. Again, policy makers, building on the anger of women against men who do not make child support payments, are mandating that all of us must establish paternity at time of birth. This raises many problems which undermine women's autonomy: for example: What about immigrant children whose fathers may reside in another country? What about single women who adopt children or who have children outside of a stable relationship? What about women who don't want to be identified with or connected with the father of their children. What about lesbian women who have used a sperm bank or a good friend? What about any woman who has used a sperm bank or a good friend? What about women who have been raped, or the woman who does not know who the father is, is she supposed to make a list of all the men she slept with and hand it over to the government?

JOBS Program/Workfare

The workfare projects provided for in the Moynihan bill are in fields such as health, social services, education, and day care. These are the kinds of low-waged service and housework-type jobs that traditionally fall to women. Low-waged jobs will not help women and children out of poverty, but they will increase the work and stress level of single-parent families. Dion Aroner, an aide to California Assemblyman Tom Bates, says of California's GAIN program, "Its creators didn't see it as a way to get families out of poverty. They saw it as a way to get them off the welfare rolls." (Quoted in The Progressive, Dec. 1987). But as the Friends Committee on National Legislation has noted, "Moving off welfare is not a desireable (sic) goal if the move leaves the family in desperate poverty....[F]ull time work at the federal minimum wage yields only about $7000 per year, not nearly enough to keep a mother with even one child at the poverty level." ("Moving From Welfare to Work," G-751, November 1987.) Douglas G. Glasgow, of the Urban League, has noted that, "According to a study prepared by the Joint Economic Committee of Congress -- of the 8 million new jobs created between 1979 and 1984, 58% paid annual wages of less than $7,000."

According to Interfaith Action for Economic Justice, in 1985, only 57% of poor children received some benefit from AFDC. This indicates that a high percentage of poor families are already doing waged jobs and have remained in poverty. Workfare certainly won't alleviate the poverty of the poor already in waged jobs.

According to John Ritter, GAIN manager for the Welfare Department in Solano County, California, quoted in The Progressive, Dec. 1987), "It's a real problem, because a single parent with two kids needs at least $8 or $10 an hour just to survive, but the kinds of jobs we have are service jobs running $5.05 a hour." A recent Federal report on programs in 38 states reveals that most participants were forced to take jobs with a median hourly wage of $4.14.

By pushing more women into this work, S.1511 increases competition for these kinds of jobs, pitting welfare mothers against other poor women and undercutting the wages of the people who are already in these jobs. In many cases, the result will be direct union-busting.

According to labor writer Harry Bernstein, "It would be useless to train welfare recipients for non-existent jobs. We don't want the estimated 2 million welfare recipients who are, in theory, potential workers to displace workers who now have jobs...."[W]orkfare" jobs usually are lousy: They often are

dead-enders, mostly part time and provide no fringe benefits." (Los Angeles Times, Jan. 19, 1988.)

Sam Weinstein, President of Local 132, Utility Workers Union of America, AFL-CIO, has pointed out that the areas where women on workfare will be placed are the service areas where women have been doing the most union organizing in the last 10 years. A population of workfare participants will directly undercut women who are organizing unless welfare mothers have the same protections as other workers.

Net Loss of Income

S.1511 also provides for assigning women to non-workfare jobs in the private sector, but the wage rates for these jobs need be no higher than the minimum wage (regardless of the industry standard) -- thus leaving open the probability that welfare mothers will remain at the bottom of the wage scale and drive down the wages of other people--usually other women--doing the same kind of work. This is not only a formula for corruption between public officials and private employers but, by giving them so much power over women, it is also a formula for sexual harassment and rape.

Supporters of the S.1511 claim that workfare won't displace waged workers, but in fact the legislation protects only currently employed workers and positions from being displaced and protects only existing contracts for services or collective bargaining agreements. Also, currently employed waged workers can lose the opportunities to earn overtime pay due to displacement by workfare workers.

One of the provisions in the AFDC regulations is that a woman need not take a job if it pays less than AFDC and will result in a "net loss of income." But what hasn't been taken into account, when figuring out what is a higher income than AFDC, are all the added expenses incurred from working outside the home. What is not included is the loss of time, which is a loss of money.

In California, welfare recipients, with the support of women not on welfare, are demanding that the state's workfare plan (GAIN) be modified to prevent the net loss of income that occurs when women are forced to work outside the home and no longer have the same amount of time available for the kind of money-saving household activities described earlier in this document..

The way women who are deprived of welfare can be used to undermine women working outside the home illustrates how financial recognition of unwaged work is a protection for--not an attack on--women who are waged workers. Instead of institutionalizing women in the home, recognition for housework or a wage for housework is a major protection for waged workers, women and men, from the competition of desperate mothers who must feed children the government has refused to feed.

Young Mothers

Welfare mothers under 18 may be required to live with their parents. This would force women who have already raised a family to take on the work and responsibility of another family, often against their will. Since "the income of the elder parents would be considered in determining eligibility and benefits," (FCNL, G-736, December 9, 1987), parents will be forced to assume financial responsibility, as well, for their daughters' families. In fact, the welfare payments will go directly to the parents rather than to the welfare mother. This forces her into dependency on her parents in order to avoid being penniless. She

may also be forced to stay in a situation when she may be physically or emotionally abused. She has no control over the money provided for her children and thus loses her power to decide how best to provide for them. In addition, single mothers under the age of 22 who have not completed high school can be required to participate in either work or training programs, regardless of the age of the child.

All of these requirements add to the pressure on a young mother who is already feeling the stigma society imposes on young mothers. In fact, the logical conclusion may be one expounded by one of the country's most conservative thinkers. In a recent issue of the New Yorker magazine, Jonathan Kozol notes: "In an article published in Commentary in May of 1985 [conservative writer Charles Murray] suggests that society could reduce the number of poor children by intensifying the unpleasantness of circumstances that sometimes precede their birth--that is, by rendering 'unwed parenthood,' in Murray's words, 'contemptible.'" ("The Homeless and Their Children," New Yorker, February 1, 1988.)

We are concerned that increase pressure instead of support and real choices will increase the numbers of pregnant teenage runaways. We have all been warned about the dangers young people face on the streets. Ernest Latty and Gregory Laken, of Covenant House in New York, state, "The increase of intra-familial abuse of the young - particularly a sharp rise in sexual abuse - may explain in part why so many young people take to the streets. On the other hand that stree life probably explains why the rates of teenage rape and teenage prostitution have risen so dramatically....Those finding themselves homeless have few alternatives to crime or prostitution." For those of you who may have wondered why, when seeing a pregnant woman working as a prostitute, perhaps now the answer will be clearer. For the most part, she is not on drugs (according to US PROStitutes Collective, the majority of prostitutes are not drug addicts), but she does need the money.

Childcare Provisions

S.1511 provides welfare mothers who work outside the home with no more than $160 a month toward the cost of child care. Since it is impossible to find quality child care or any child care at all at that price, in effect, the bill says that poor children shouldn't get quality child care. In some county workfare proposals, leaving younger siblings with a 13-year-old was suggested as an alternative . Also, more children will be left alone, which will increase the numbers of latchkey kids. "GAIN may actually create a larger pool of 'latchkey' children whose safety is jeopardized." (Heidi Strassburger, of the Child Care Law Center in San Francisco, quoted in The Progressive, Dec. 1987). Also, poor communities lack the type of organized after-school activities taken for granted in other communities.

> "The neighborhoods in which many AFDC recipients live lack community facilities that provide constructive outlets for children; some are sufficiently dangerous environments so that a responsible parent may be reluctant to leave her children unsupervised after school. Day care, summer camp, after-school music lessons, the Girl and Boy Scouts, and other activities that middle-class families with working mothers rely on to substitute for parental care are often not available options for the low-income, single working parent." (Robert D. Reischauer, The Brookings Institution.

Meanwhile, according to the National Fire Prevention Association, more than 20% of all multiple-death fires involve unattended or unsupervised children. Wendy Wayne, director of Community Connection for Childcare, a hotline for children, reports they receive 600 calls a month from children who are terrified, lonely, or feel isolated. But "there is no language [in S.1511] stating that a lack of child care is "good cause" for non-participation in this mandatory program." (FNCL, G-736, Dec. 9, 1987.)

Penalties: Can The U.S. Afford Mothers?

With S.1511, if a woman refuses a job she's offered under the workfare program, whether because of the nature of the job or because she isn't satisfied with the quality of child care that is available to her, her aid may be eliminated for up to six months -- and she would have to wait the entire six months to have it restored, even if she changes her mind before the six months are up and agrees to take the job.

S.1511 makes a false distinction between penalizing the mother but not the children if the mother fails to comply with the regulations. In a family of three (a mother with two children), the mother would be penalized by having one-third of the amount allotted to the family deducted from the monthly check, while the children's two-thirds would be given to a third party (e.g., a close relative or friend) for distribution. This makes the mother and children dependent on the third party and creates a false separation between mother and children -- as if it is possible to punish the mother without punishing the children. In fact, the amount deducted to penalize the mother was probably going to help make ends meet on below-poverty-line grants, and without it the children and the mother may end up on the street.

A foster care mother receives more money to subsidize care of her foster child than a mother receiving AFDC receives for her own child. Financially, poor children are better off when separated from their mothers.

Although one of the claims made for S.1511 is that it will strengthen the family, this seems to be done at the expense of separating women from our children. Provisions such as the one just cited are part of a growing trend in domestic policy to separate mothers and children and then to mediate the relationship between them--for example, a largely male legistature deciding at what age we should put our children in child care.

Senator Moynihan is quoted in the Washington Post as saying: "We are uncomfortably close to being a nation of rich adults and poor children...." Who are you referring to, Senator? As Senator Pat Schroeder has pointed out, the military is the real welfare queen. How many welfare mothers are rich? In fact, not only are welfare mothers not rich, but for the most part, they are desperate. A survey done in San Francisco found that when welfare cuts occur, the number of AFDC mothers picked up for prostitution increases. The English Collective of Prostitutes found, in their survey of prostitutes in London, England, that 70% of prostitutes are single mothers. Although an equivalent study has not been done in the U.S., informal polls conducted by Legal Action for Women in San Francisco indicate that the situation is probably the same in the U.S.

During the last four years, while a serial murderer (or murderers) has been preying on women on the street in South Central Los Angeles, prostitute women working the area who were obviously not drug addicts told members of the Black Coalition

Fighting Back Serial Murders (a community-based organization demanding police accountability in the handling of the murders) that despite the danger to their lives they were remaining working on the street because they simply could not feed and house their children on what they were getting on welfare and no other jobs were available to them.

Our experience has been that women, especially poor women, are ready to sacrifice everything for their children; the exception is rare! Not that poor women love their children more than others but because if you are poor you have so little you do generally have to make great sacrifices for your children.

Summary

By in effect being threatened with hunger and homelessness, women and girls are forced to take the worst jobs -- the ones nobody else wants -- and to place our children in child care programs that we may have grave concerns about. If a woman refuses to take a job and her aid is cut off, she has few options. She may be forced into dependence on a man, perhaps not one of her choice, in order to keep herself and her kids fed and housed. She may stay in a relationship with someone who is violent or abusive, physically or emotionally, not only towards her but also towards her children. Or she may be forced into prostitution or other crimes of poverty -- risking violence, imprisonment, and separation from her children -- simply in order to try to feed them.

No value is placed on women's unwaged work in the home and S.1511 instead wants to squeeze even more work out of women on top of the $700 billion worth of unwaged work we're already doing. It will undercut the wages and bargaining power of everyone in the waged work force, by having an unwaged or lower-waged labor force doing the same jobs as waged workers and by increasing the competition for the lowest paid and most undesirable jobs. While professing to promote responsible parenting, the bill separates small children from their mothers (children as young as the age of three, or leaving it up to the State to reduce the age to one year old) and to punish those children by cutting off the mother's aid if the mother tries to protect her child from what she considers inadequate or abusive child care by not taking a job outside the home, or for deciding they are better off with her full-time at home, and forcing young women to remain with possibly abusive parents or forcing women to be dependent on individual men we are no longer with.

These are the issues at the heart of the "consensus" on welfare reform.

We oppose S.1511 as presently written. These are some of the changes and additions that we recommend at the time of writing this statement. We are continuing our efforts to gather women's point of view on the bill starting with, but not only, women on welfare. We are ready to be in regular contact with the Senate Finance Committee to inform you of our findings and to make further suggestions we may have as a result of further consultation.

1. No mandatory workfare, mandatory education, or mandatory training.

2. Increases in AFDC and all income transfer payments. Two-parent families should be eligible for welfare.

3. Real choices for women, either education or training, including the right with support to higher education, such as university, or a waged job, or working full-time in the home.

4. Increase the minimum wage.

5. Credits given for community work and homemaker chores, that others are paid to do.

6. Counting of skills used in unwaged work in the home or in the community as part of waged job preparedness.

7. Guarantee of quality child care for those mothers who want it.

8. No forcing young mothers into living with parents or others if they want to live on their own. No forcing mothers to support grandchildren.

9. Welfare mothers doing the same waged jobs as others should get the same pay and benefits package.

10. Classification of waged jobs should be closely monitored so that employers don't abuse welfare mothers by changing the name but not the work involved in a particular job in order to pay them less than they deserve.

11. The increased cost of raising a family when less time is available for housework should be calculated to ensure that women in waged jobs are not at a disadvantage.

12. Quality, creative, supervised after-school care should be available to those who need it.

13. A woman should be the one to decide if she wants to name the father of her child or if she wants him to assist in support of her child. Guarantees that employees garnished for child support reasons will not be automatically fired.

Other Demands

1. Legislation should be drafted to implement the UN decision to count women's unwaged work unwaged work in the home, on the land, and in the community in the Gross National Product so that our contributions in money to the economy will no longer remain hidden.

2. Military spending should be cut and money go instead to programs that benefit women and children. Also, some of the money saved as a result of the recent US/USSR disarmament agreements should be made immediately available for programs for and children.

3. Comparable worth programs should be implemented.

4. Implementation of anti-racist and anti-sexist curricula in the schools.

--Prepared and submitted by International Black Women for Wages for Housework and the International Wages for Housework Campaign.

APPENDIX A

Excerpts from Recipient Representatives Proposals
San Francisco GAIN Advisory Council

The GAIN program will affect many single mothers of children between the ages of 0 and 18. Administrators, caseworkers and welfare advocates and everyone else involved must keep in mind that these mothers already have a full-time job: being a parent. The GAIN program is asking single mothers who may have no one to help them with the sometimes overwhelming jof of parenting, to take an additional full-tome job, that of working for earnings. This dual load may place a lot of strain on single mothers which can adversely affect the parenting process and end up costing society more in the long run.

If you were to write a job description for the tasks that mothers do it would be mind-boggling. With regards to food, there is food shopping, a time-consuming and physically demanding task if you have...little money and no car; fixing three meals a day and snacks, clean-up after meals, and meal planning. Jobs involving [clothing] include washing, drying and putting away clothes, wardrobe planning, clothes shopping, mending and eliminating outgrown clothing to say nothing of ironing. Parenting jobs certering on school include looking for a suitable school, enrollment PTA meetings, parent conferences, volunteering in the school from time to time, helping with homework and evaluating your child's classroom situation. Health jobs are taking kids to doctor, dentist and to other medical appointments, caring for sick kids by taking temperature, administering medicine, and being at home all day with a sick child. Planning overall activities for each child's life might include such things as girl or boy scouts, after school classes, tutoring or activities, babysitting and child care arrangements and planning for activities during school breaks, such as spring break or summer vacation.

Please keep in mind that in addition to doing all the above jobs, the house must be maintained in a cleanly fashion and that involves hours of other jobs like cleaning, mopping, defrosting refrigerators, etc. In addition, if a single mother has two or three kids, the jobs are multiplied: the house gets dirtier, the loads of laundry and groceries are bigger and it is possible to have kids in three different schools, which means three different meetings monthly. Remember that we are talking about single mothers who have no one to help them with the responsibilities and we are asking them to also take on a full-time job.

Erma Bombeck

Going for the Gold on Jobs Women Do Free in the Home

It's interesting to speculate, when the history of women's struggle for recognition is recorded, who will be at the top of the list.

Will it be the first woman to occupy the Oval Office of the White House who is not expected to do windows and floors?

Will it be the first woman to anchor a network newscast, the first one to find a cure for war, or the first woman to play ball in the major leagues?

Women have taken an interesting direction in their quest for acceptance, but none intrigues me more than the women who are doing bits and pieces of their old job at a new location with one difference. She's getting paid for it.

□

There's the woman who works in a day nursery taking care of someone else's children while she pays someone to come in and take care of hers at home.

There's the woman who started a housecleaning service for busy career women who became so successful she had to hire herself to clean her own house.

And let's not forget the female chefs springing up all over the country who pick up a frozen dinner on the way home.

The list is endless. The mother who for years tended sick children and husbands is working in a hospital. The woman who car-pooled for years is driving a cab. The woman who served a thousand meals in her lifetime is a waitress. The woman who sat hunched over a table lecturing and helping with homework is a teacher.

Why? Why did they leave home to take their services and talents into the marketplace? Money? For sure.

But maybe they felt the need to materialize. You had to have been there to know what it was like to be invisible. To move and not be seen, to talk and not be heard. To have family return to the house every evening and say, "Anyone home?"

Maybe they wanted to see if a home was magical. Could butter and milk develop feet and walk back to the refrigerator by themselves? Did kisses on a feverish forehead cure anything? Did unironed clothes hang out its own wrinkles? Was food in foil less palatable than food made from scratch? Did time heal yellow-wax buildup? Did anyone care that you were home to remind them "Don't slam the door" and "Change your clothes"? Did it matter if you sat your child or "Dallas" reruns did it?

All I know is that housewives who need someone to come in and do all the above jobs while they go out to work are in critical demand. It seems no one wants to do for money what women have been doing all their lives for free. Think about it.

S T A T E M E N T

To: Senate Finance Committee Subcommittee on Welfare Reform
From: Fern L. Chamberlain, retired Public Welfare employee
Re: S. 1511 February 26, 1988

The Family Supplement program completely reverses the focus of the Aid to Families with Dependent Children. The original purpose of the AFDC program was to protect children involved in a family crisis during the crisis period and to insure that the children continue to be cared for by the remaining parent when deprived of care by one parent. By definition, a family applying for AFDC is in a family crisis. The immediate need of the applicants is, of course, financial assistance to meet their basic needs but close behind is the need for understanding of the problems they face and support in the parenting role.

Let me illustrate my concerns with three stories: (The names are fictitious but the people are very real).

Debbie is a single parent receiving AFDC. She is young (in her twenties), healthy, personable, outgoing. She has two healthy, happy preschoolers. Her mother who lives in this town cares for her two children while she attends beauty school. She will finish her course in May. There is every reason to assume she will then be self-supporting and no longer require aid. The usual figure I have seen is that about half of the recipients of AFDC are like Debbie - they need aid over a short period of time - usually two years or less - while they work out their own plan for managing their affairs. If there are resources available for child care and job training, they will make use of them on their own initiative without duress.

Jane is in her late twenties. She also receives aid for two preschool children. Jane has a speech impediment, cannot read or write, has a scar on her face and has other health problems. Her oldest child is on medication for hyperactivity and is a handful to deal with. Both children are in the school's early childhood program as disadvantaged children. One goes in the morning, the other in the afternoon. Jane takes advantage of every opportunity for free goods or activities for her children. She scours the town for the best bargain when she has to make a purchase. She wishes she could get a job so she could buy things for her children and get off AFDC but she is practical enough to know the kind of job she could get such as cleaning in a motel would not pay enough to cover her child care costs. Besides, she cannot stand physical labor for long. If she is mandated into a program out of the home it will only compound her problems and leave her with less time and energy to deal with them. She will no doubt require aid over a longer period of time.

Mary, also in her twenties, is married with three children, one in school and two pre-schoolers. Her husband's employment is low pay and somewhat irregular. They would probably not qualify for AFDC-UP even if this state provided it. Mary dropped out of high school when her first child was born. She is very intelligent and has many skills. She enjoys being a mother and loves her children. For now they fill her life. She is looking ahead to the time when they are all in school and she can pick up on her education. She would like to become a psychologist. Her needs for available, affordable child care and educational opportunities are the same as for many recipients of AFDC.

The points I would like to make with these illustrations are these:

Point 1:
Half of the recipients of AFDC will work out their own plan to manage. Available, affordable child care and job training opportunities will help them but they will make use of these opportunities if available on their own initiative. They need aid during a period of transition in their lives. If they desire to care for their own pre-school children, what is so wrong? Much emphasis is being placed these days on children"s start in life. Mary remembers what it was like as a child to be shunted from baby-sitter to baby-sitter and does not want that for her children. There will be many years ahead for these mothers even if we allow them to choose to care for their own children. The decision to place children in child care should be the parent's and not the state's.

Point 2:
Some of the recipients of AFDC may never be able to support their families. A prime requisite for securing employment is finding an employer who will hire them. To support a family requires a job that pays an adequate wage and provides benefits. We may just have to accept that for the sake of the children we will need to provide financial aid as long as the children need it. We should provide this aid in a supportive way so the children have a fair chance to grow up to be self-supporting themselves.This group of single parents is really a very small percentage of all single parents. Attempts to force these parents into self-supporting roles are self-defeating.

Point 3: Community resources such as child care and job training should be available to anyone needing them, not just targeted at recipients of AFDC. If these resources are being made available community-wide, it would remove much of the demeaning character of the JOBS proposal.

As a final comment, if states are mandated to provide out-of-home programs for all recipients their efforts and resources may well be spread so thin no one benefits. If the agency's efforts can be targeted at those who need help with their self-esteem and initiative in order to take advantage of community resources, some real positive results may well occur.

The Act for Better Child Care S. 1885 would do more to help children and to reduce the number of AFDC recipients than the mandatory JOBS program in S. 1511

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March 9, 1987

Ms. Kathryn Stearns
Letters to the Editor
Richard Cohen
Washington Post
Washington, D.C. 20071

Re: Judy Mann "Tightening Child Support", Falsified Feminist Studies and Child Support Guidelines (February 25, 1985)

Dear Ms. Stearns and Mr. Cohen:

Neither the Washington Post or Judy Mann have ever presented an accurate picture of the nonsupport issue. Every article on the subject begins with the plight of women with court orders and then gravitates to divorce and other topics. The latest Census Bureau study on support indicates that 88% of the money owed under voluntary separation agreements is paid (Attachment "A"). This is up from 78% (Attachment "B"). The nonsupport issue is a paternity problem that is concentrated in the inner cities, and suburban fringes. Another Census Bureau Report states that for women over 18 years of age 18% of all children, 54% of the black children, and 11% of the white children are born out of wedlock (Attachment "C"). Deleted from this study were the children born to minors.

Ms. Mann discusses the problems with collecting court ordered support, and cites statistics on the low amount of the awards. Fathers, for the most part, that owe arrearages are the unemployed, underemployed, minors, and in instances do not know that they are supposed to pay support. Federal and State wage lien laws are meaningless if there are no wages to attach. The kind of occupations that most nonsupport fathers have are not condusive to wage liens. They are laborers, mechanics, craftsmen, and building trade specialists. These occupations provide opportunities for unrecorded income. In September of 1986, the Administrator of Maryland's Child Support Enforcement Administration was advising a group of nonsupport mothers on how to increase their child support. The mothers were not concerned with increasing support. They wanted to know what could be done about the income for which there were no records.

Approximately 15 months ago Judy Mann wrote an article on Lenore Weitzman's Divorce Revolution. The book was presented as being an academic accomplishment. When in fact, its economic conclusions are academic trash. Weitzmann states in the "Introduction" that women "experience a 73% percent decline in their standard of living in the first year after divorce." This conclusion is false in five respects (Attachment "D"):

- The research data covers the period between 1968-1977 and is not applicable to this decade.

- The conclusions do not take into consideration the economic impact resulting from the feminist oriented domestic relations laws that have been passed by the State in the last ten years. Maryland is an excellent example of how the feminist legislation works. In 1977, there was a one line enabling legislation passed giving equity court powers to the circuit courts. The courts were given sweeping powers to adjudicate the awarding of custody and the distribution of family resources in divorce situations.

This was followed by the Property Disposition Law in 1978 which gave the custodial parent the right to live in the house and the other parent could be made to pay the bills. These laws were the start of a complex series of legislation involving the linkage of property settlment, child custody, and spousal abuse. In Maryland even the State's Criminal Justice Commission promoted violence by proposing legislation that would have consolidated the actions between divorce and spousal abuse.

- The sample data is distorted in that it bypasses the majority of divorced families and only emphasizes the economic situation of people that were divorced after a lengthy marriage. In Maryland only 7% of the divorces occur after 25 years of marriage.

- The research material was compiled in Los Angeles and San Francisco Counties which are inner city jurisdictions, and is not applicable to the Country as a whole.

- The tables and charts regarding income levels and value of property are a distortion of the truth. The median annual buying incomes for the studied jurisdictions during the late 1970's was between $13,000 and $14,000. When considering these income levels, there was not much property or accumulated wealth within the divorcing households (Attachment "E").

Judy Mann's recent article discusses the child support guidelines as if they are a solution to the nonsupport problem. This is a far cry from the truth. Section 467 (Attachment "F") of the Wage Lien Law (98-378-1984) mandates that the State adopt child support guidelines by October 1987. The law also provides for assistance to the States in formulating guidelines. Assistance provided to the State is limited to a consultant report that recommends the Judge Melson Formula, developed in 1977. It is based upon reading newspapers, visiting boarding houses, and restaurants in either Wilmington or Dover Delaware. The formula involves the redistribution of income and the reasons for awarding alimony applied to child support. According to the Post, Margaret Heckler, former secretary of the DHHS was fired for her work on the Wage Lien Law. I assume it was for violating administrative policy by using an obscure section of the federal legislation to impact the personal relationships between men and women.

The Melson Formula cannot be applied to most court ordered nonsupport cases because there is no income to either redistribute or place within the guidelines. It was estimated by the Oregon Court system that the use of the Melson Formula would lead to increased nonsupport. The poor just cannot afford to pay any more support.

There are billions of dollars worth of studies and reports published by the Census Bureau, U.S. Department Department of Agriculture, HUD, private research institutes, and State agencies involved in statistical gathering activities. It is an embarrassment to the U.S. Government, the judiciary, the academic community and families to use the Melson Formula in determining the amount of child support which could impact over half of the Country's children.

The Melson Formula and the mandated guidelines are inappropriate. They undermine the national trend towards mediation, and the concept of the nonadversary family court. These are techniques that use the unique circumstances of the family to determine custody and child support. Also, the Melson Formula was developed in 1977. It does not take into consideration the feminist legislation regarding child support, custody, and property settlement that have been adopted by many states. The mandated guidelines are part of a national strategy at both the State and Federal level to make the father or noncustodial parent pay. Any way that a father can

pay will be the subject of a proposed public policy at either the State of National level. Anytime Judy Mann writes about nonsupport, discusses single mothers, and then concludes with a reference to divorce, it can be assumed that there is pending legislation somewhere requiring divorced fathers to pay more.

The State of Maryland had a Commission that was supposed to develop child support guidelines. They chose the Melson Formula and used Weitzman's Divorce Revolution as the economic justification. In 1985, when the State passed its Wage Lien Law most of the Commission members testified before the State Legislature. They deliberately concealed that there was a need to prepare child support guidelines. Some of these people and organizations represented on the Commission were the same parties that in 1981 attempted to use the law to promote violence by linking property settlement and custody to spousal abuse.

For once I would like to see the Post or its writers get below the feminist media hype and expose what is happening behind the legislative scene. The general public would be exposed to falsified studies, the misuse of public funds, nepotism, use of the law to promote violence, doubling of legal fees, ten years of deceit, and stacking of the courts with radical feminists. When dealing with the feminist movement, the only thing that the liberal media can do is bury the truth. My files are filled with copies of buried letters and documentation.

Sincerely,

Don Heine

Don Heine
Edgewater, Maryland
(301) 956-3697
(you may print my home telephone number)

Attachments

DH/lg

ATTACHMENT "A"

Table C. Child Support Payments Awarded and Received in 1983—Women With Children Present, by Selected Characteristics

(Women with own children under 21 years of age present from an absent father as of spring 1984)

Characteristic of woman	Total (thousands)[1]	Percent awarded child support payments[1]	Supposed to receive child support in 1983			
			Total (thousands)	Actually received child support in 1983		
				Percent	Mean child support	Mean total money income
Total	8,590	57.7	3,993	76.0	$2,341	$13,122
CURRENT MARITAL STATUS						
Married[2]	2,129	75.8	1,226	71.9	2,144	11,602
Divorced	3,204	76.2	2,092	76.4	2,491	14,986
Separated	1,431	40.9	434	87.1	2,682	11,207
Widowed[3]	53	(B)	24	(B)	(B)	(B)
Never-married	1,854	17.7	219	75.8	1,132	7,217
RACE AND SPANISH ORIGIN						
White	6,283	66.9	3,389	77.1	2,473	13,534
Black	2,241	33.7	534	69.3	1,461	10,189
Spanish origin[4]	790	40.9	252	62.7	1,839	10,067
YEARS OF SCHOOL COMPLETED						
Less than 12 years	2,267	42.4	707	66.1	1,335	7,637
High school: 4 years	4,201	61.2	2,056	76.5	2,159	12,351
College: 1 to 3 years	1,308	64.1	784	79.2	3,312	16,169
4 years or more	724	71.3	447	84.1	4,118	21,525

B Base less than 75,000.

[1]Award status as of spring 1984.
[2]Remarried women whose previous marriage ended in divorce.
[3]Widowed women whose previous marriage ended in divorce.
[4]Persons of Spanish origin may be of any race.

to all women, the mean amount would have been $2,520. (See table D.)

- For women with court-ordered payments, the mean payment due was $2,290, but the mean amount received was only $1,330; therefore, women with court orders received only 58 percent of the amount they were due. In contrast, women with voluntary written agreements received 89 percent of the amount they were due, and their mean child support payments due ($2,980) and received ($2,620) were higher.

Table D. Mean Child Support of Women Due Payments in 1983, by Type of Arrangement

(Women with own children present under 21 years of age from an absent father as of spring 1984)

Type of arrangement	Number (thous.)	Mean child support income received[1]	Mean child support income due
All payments[2]	3,993	$1,779	$2,321
Court ordered	2,524	1,334	2,288
Voluntary	1,297	2,391	2,958

[1]Mean amount based on all women due payments, whether or not payments were received.
[2]Includes a small number of women whose arrangement type was "other," not shown separately.

- The aggregate amount of child support payments due in 1983 was $10.1 billion, but actual payments received amounted to only about $7.1 billion. Thus, 71 percent of the total amount due was paid in 1983.*

AWARD AND RECEIPT OF ALIMONY PAYMENTS

- Of the 17.1 million ever-divorced or currently separated women as of spring 1984, 14 percent were awarded alimony payments. (See table E.)
- Of the 791,000 women due alimony payments in 1983, 77 percent received at least some portion of their award.
- The alimony award rate in 1984 (14 percent) showed no significant change from that reported in either 1982 or

*Aggregate child support payments due and received are derived from table 3. The aggregate payments due refer only to the total due for the income year 1983 based on the information reported by the women in the survey. Arrearages are not included in the aggregate figure.

ATTACHMENT "B"

Table A. Awarded and Recipiency Status of Women—Child Support and Alimony Payments in 1981 and 1978

(Women as of spring 1982 and 1979. Child support payments for women with own children under 21 years of age present from an absent father; alimony payments for ever-divorced women)

Year, award and recipiency status of women	Child support payments		Alimony payments	
	Number (thousands)	Percent distribution	Number (thousands)	Percent distribution
1981				
Total	8,387	100.0	14,996	100.0
Awarded[1]	4,969	59.2	2,534	16.9
Supposed to receive payments in 1981	4,043	48.2	782	4.8
Not supposed to receive payments in 1981	926	11.0	1,752	10.3
Not awarded[1]	3,417	40.7	14,462	85.1
Supposed to receive payments in 1981	4,043	100.0	782	100.0
Actually received payments	2,902	71.9	527	67.4
Received full amount	1,888	46.7	340	43.5
Received partial amount	1,014	25.1	187	23.9
Did not receive payments	1,140	28.2	255	32.6
1978				
Total	7,094	100.0	14,334	100.0
Awarded[1]	4,196	59.1	2,052	14.3
Supposed to receive payments in 1978	3,424	48.3	760	5.3
Not supposed to receive payments in 1978	772	10.9	1,292	9.0
Not awarded[1]	2,898	40.9	12,282	85.7
Supposed to receive payments in 1978	3,424	100.0	760	100.0
Actually received payments	2,452	71.6	528	69.5
Received full amount	1,675	48.9	312	41.1
Received partial amount	777	22.7	216	28.4
Did not receive payments	971	28.4	232	30.5

[1]Award status as of spring 1982 and 1979.

support including those who received nothing was $1,510. If the full amount of payment due had been made, the mean amount would have been $2,460.

- For women with court-ordered payments, the mean payment due was $2,050, but the mean amount received was only $1,120; therefore, women with court orders received only 55 percent of the amount they were due. In contrast, women with voluntarily written agreements received 78 percent of the amount they were due, and their mean child support payments due ($2,970) and received ($2,240) were higher.

The aggregate amount of child support payments due in 1981 was $9.9 billion, but actual payments received amounted to only about $6.1 billion.

AWARD AND RECEIPT OF ALIMONY PAYMENTS

Of the 12 million ever-divorced or currently separated women as of spring 1982, 15 percent were awarded alimony payments.

- Of the 780,000 women due alimony payments in 1981, 43 percent received full payment; there was no evidence of a difference between the proportion receiving partial payments and those who received no payment at all.

- The mean amount of alimony received by women in 1981 was $3,000. After adjusting for inflation, this reflected a decrease of about 25 percent from the 1978 level. Alimony payments as a percentage of average male income showed no statistically significant change between the two years.[4]

AWARD OF PROPERTY SETTLEMENTS

- About 42 percent of the 14.2 million ever-divorced women were awarded a property settlement as of spring 1982.

[4]Mean alimony payments were compared with the mean income of all males as a proxy, since the income of ex-husbands was not available from the survey.

ATTACHMENT C

143,000 were currently widowed or divorced at the time of the survey and 482,000 were single (table 4).[4]

Approximately two-thirds (417,000) of the out-of-wedlock births in 1985 were to women 18 to 24 years old, constituting 31 percent of all births born to women this age (table B); 11 percent of the births to women 25 to 29 and 8 percent of births to women 30 to 44 were out of wedlock. In all, 12 percent of White women 18 to 44 who had a child in the last year were unmarried at the survey date, compared with 55 percent of Black women. Most of the childbearing by young Black women consisted of out-of-wedlock births: 75 percent of all of the births born to Black women 18 to 24 years old in 1985 were to women not married at the survey date compared with 20 percent for White women this same age.

Table B. Percentage of Children Born Out of Wedlock Among Women Who Have Had a Birth in the 12-Month Period Ending in June 1985

(Numbers in thousands)

Race and age	Number of women who had a birth		Percent born out of wedlock
	Total	Out-of-wedlock[1]	
All Races			
Total, 18 to 44 years	3,497	625	17.9
18 to 24 years	1,329	417	31.4
25 to 29 years	1,173	132	11.2
30 to 44 years	994	76	7.7
White			
Total, 18 to 44 years	2,864	335	11.7
18 to 24 years	1,045	211	20.2
25 to 29 years	1,011	90	8.9
30 to 44 years	807	34	4.2
Black			
Total, 18 to 44 years	499	273	54.8
18 to 24 years	259	192	74.2
25 to 29 years	121	40	33.1
30 to 44 years	118	40	33.9

[1]Women either widowed, divorced or single at the survey date.

Source: June 1985 Current Population Survey

Of the estimated 3.5 million women who had borne a child in the 12 months preceding the June 1985 survey, approximately 1.4 million women had a first birth, resulting in a rate of 27.1 first births per 1,000 women 18 to 44 years old (table A). No discernible trend in this rate has been noted since 1980 when the first birth rate was 28.5 per 1,000.[5] Women 18 to 24 years old in June 1985 recorded a higher first birth rate (53.5) than either 25-to-29-year-olds (38.7) or 30-to-44-year-olds (8.0).

The low first birth rate for women 30 to 44 years old is expected, since most of these women had already given birth to their first child; only 19 percent of these older women were childless at the survey date, compared with 42 percent for women 25 to 29 and 71 percent for women 18 to 24 years old (table 4). Despite the low first birth rates for women over 30, first births made up 21 percent of all births borne by these women between July 1984 and June 1985, compared with 46 percent for women 18 to 29. Overall, 39 percent of 18-to-44-year-old women who had a birth in the last year reported that it was their first birth, which was not different from the percentage reported in 1980 (40 percent).

Data shown in table C trace the growing proportion of women in the labor force who had a birth in the last year. In June 1985, 48 percent (1.7 million) of recent mothers were in the labor force, compared with 38 percent in 1980 and 31 percent in 1976. Large increases in labor force participation between 1976 and 1985 are also noted for women 18 to 29 and women 30 to 44 years old.

Slightly more than one half (57 percent) of the 1.4 million women who had their first birth in the 12-month period prior

Table C. Women Who Have Had a Child in the Preceding 12 Months and Their Percentage in the Labor Force: June 1980-85 and June 1976

(Numbers in thousands)

Age of women and Survey year	Number of women	In the labor force	
		Number	Percent
18 to 44 years old:			
1985	3,497	1,691	48.4
1984	3,311	1,547	46.7
1983	3,629	1,563	43.1
1982	3,433	1,508	43.9
1981	3,381	1,411	41.7
1980	3,247	1,233	38.0
1976	2,797	869	31.0
18 to 29 year old:			
1985	2,512	1,204	47.9
1984	2,379	1,058	44.5
1983	2,683	1,138	42.4
1982	2,445	1,040	42.5
1981	2,499	1,004	40.2
1980	2,416	941	38.2
1976	2,220	708	31.9
30 to 44 years old:			
1985	984	488	49.6
1984	930	489	52.5
1983	941	425	45.1
1982	988	468	47.5
1981	881	407	46.2
1980	830	291	35.3
1976	577	160	27.8

Source: June Current Population Surveys of 1976 and 1980 to 1985

[4]The number of out of wedlock births recorded in the CPS fall short of the actual number as reported in vital registration data because of the age limitations of the survey universe which exclude the collection of fertility data for single women under 18 years old. According to the latest vital registration data, about 17 percent (125,000) of the births to unmarried women in the calendar year 1983 occurred to women under 18 years of age.

[5]See Current Population Reports, Series P-20, No. 375, Fertility of American Women: June 1980, table B.

ATTACHMENT "D"

The Divorce Revolution: A Study Containing False Economic Conclusions

by Don Heine
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The intent is to identify the flawed methodology leading to the false economic conclusions set forth in Lenore Weitzman's The Divorce Revolution. In conducting the evaluation, the investigator used information containes within the Survey of Buying Power, Maryland's Vital Statistics Annual Reports, and the facts uncovered in studying the changes in Maryland's domestic relations laws dating back to 1977.

The Survey of Buying Power is a nationally accepted document that annually publishes the estimated buying income statistics for the states, counties, and most cities. Vital statistics for the State of Maryland were used in the analysis. Maryland, although a small state, represents a cross-section of American society. It has blue collar Baltimore, a separate jurisdiction with the authority of a county; the white collar suburban counties adjoining Washington, D.C.; the agricultural and beach communities of the Eastern Shore; and the mining areas of the western panhandle.

Ms. Weitzman states in the Introduction that "on the average, divorced women... in their households experience a 73 percent decline in their standard of living in the first year after divorce." This is a false conclusion in five respects.

Her data is obsolete and is not applicable to this decade. She clearly states that the research, specifically the court records and the lawyer/judge interviews cover the period between 1968-1977. Since this period there have been increases in the overall levels of income and family wealth. Furthermore, there is a greater number of married women in the working force.

However, the most important consideration is that 1977 is the last year prior to the initiation of the adoption by many states of a series of feminist sponsored laws affecting divorce and other domestic relations issues. Maryland is an excellent example of how the revised legislation works. In 1977, there was a one line enabling legislation passed giving equity court powers to the circuit courts. It gave the courts sweeping powers to adjudicate the awarding of custody and the distribution of family resources in divorce situations. This was followed by the Property Disposition Law in 1978 which gave the custodial parent the right to live in the house and the other parent could be made to pay the bills.

These laws were the start of a complex series of legislation involving the linkage of property settlement, child custody, and spousal abuse. In Maryland we even had the State's Criminal Justice Commission promote violence by proposing legislation that would have consolidated the actions between divorce and spousal abuse. Any state with a strong feminist movement has a series of domestic relations laws that correspond in timing, sequence and content to Maryland's.

The third most important consideration undermining the integrity of the economic conclusions is the distortion of the economic data. Ms. Weitzman admits that her own samples were taken from marriages of a

long duration. This greatly inflated the overall wealth of divorced families. In Maryland of the 16,000 divorces only 7% occur after 25 years of marriage. Over half of the divorces occur before the tenth year of marriage. The tables within her book are supposed to reflect the wealth of divorced families, but are in fact a distortion. She acknowledges that they are weighted, but this is an understatement. By focusing on the marriages of long duration, she misses the fact that most divorces involve families with low incomes, and there is an insignificant amount or value of marital property.

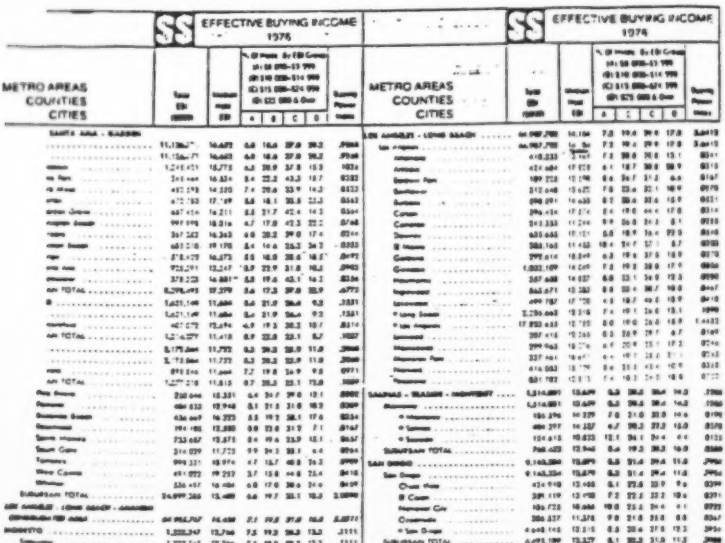
Lenore Weitzman bases her conclusions on research conducted in Los Angeles and San Francisco Counties. She assumes that the social economic conditions in these counties are applicable to the entire Country. The studied jurisdictions include mostly inner city urban areas, where there are a large number of divorces involving lower income families, blue collar workers and minorities. Although the inner city jurisdictions may represent 25-30% of the divorces, it is not appropriate to apply their social-economic characteristics to the country's entire divorced population. As an example, San Francisco has a median buying income of $24,600 while adjoining San Mateo County's buying income exceeds $35,000. The income level in the inner city jurisdiction is almost 33% lower than the adjoining suburban County.

Data gatheres in Los Angeles County is not comparable to that compiles in other jurisdictions. Los Angeles County incluces both the inner City of Los Angeles, and a large unincorporated area. The statistics considered collectively do not accurately reflect either an urban or suburban situation. In addition, the City of Los Angeles is a gerrymandered jurisdiction that in areas extends into the County. This t ends to disrupt the continuity of the City's boundaries and neighborhoods.

In summary, the economic conclusions set forth in Lenore Weitzman's The Divorce Revolution are invalid for the following reasons:

- The research materials are at least one to two decades out of date.
- The conclusions do not take into consideration the economic impact resulting from the feminist oriented domestic relations laws that have been passed in the last ten years.
- The sample data is distorted in that they by-pass the majority of divorced families and only emphasize the economic situation of people that were divorced after a lengthy marriage.
- The research material focuses on the inner city situation of two cities, and is not applicable to society as a whole.
- Using Los Angeles County data because of the size and impact of the City of Los Angeles does not yield findings that are representative of either urban or suburban jurisdictions in other parts of the Country.

ATTACHMENT "E"



ATTACHMENT "F"

"STATE GUIDELINES FOR CHILD SUPPORT AWARDS

"SEC. 467. (a) Each State, as a condition for having its State plan approved under this part, must establish guidelines for child support award amounts within the State. The guidelines may be established by law or by judicial or administrative action. 42 USC 667

"(b) The guidelines established pursuant to subsection (a) shall be made available to all judges and other officials who have the power to determine child support awards within such State, but need not be binding upon such judges or other officials.

"(c) The Secretary shall furnish technical assistance to the States for establishing the guidelines, and each State shall furnish the Secretary with copies of its guidelines.".

(b) The amendment made by subsection (a) shall become effective on October 1, 1987.

1712 Fairhill Drive
Edgewater, MD 21037
June 1, 1987

Honorable Daniel Rostenkowski, Chairman
Committee on Ways and Means
U.S. House of Representatives

Honorable Thomas J. Downey, Acting Chairman
Subcommittee on Public Assistance and
Unemployment Compensation
U.S. House of Representatives

Honorable Tom McMillen
4th Congressional District
U.S. House of Representatives

Honorable Daniel Patrick Moynihan, Chairman
Subcommittee on Social Security and Family Policy
U.S. Senate

Re: Opposition to Elements of Welfare Reform HR-1720 Based on Press Release #1-A

Dear Members of the Committee on Ways and Means, Subcommittee on Public Assistance, Congressman McMillen and Senator Moynihan:

Opposition to the Uniform Child Support Presumption Guidelines, Automatic Wage Witholding, and Elements of the Interstate Commission and Study of the Costs of Raising Children for the following reasons:

- These elements of the proposed legislation continue the trend of using obscure sections of Federal legislation to interfere with the relationships between husbands and wives and to adversely impact husbands and fathers. Examples of this trend include:
  - The Retirement Equity Act of 1984 (98-397) prohibits spouses from changing the name of the beneficiary on a retirement plan without the other spouses written permission.
  - The Deficit Reduction Act 1984 (98-369 Sec. 423) the non-custodial parent loses the tax deduction regardless of how much child support he pays.
  - The Wage Assignments Law of 1984 (98-378) mandated that the States establish Child Support Commissions (Sec. 15) and adopt child support guidelines by October 1, 1987 (Sec. 467). These sections were directed at the divorced father and had an insignificant impact on either nonsupport or welfare.
- The referenced sections of the proposed legislation are not related to either welfare or nonsupport. According to the 1983 Bureau of the Census Report on Child Support, 88% of the money owed under voluntary separation agreements is paid. This is up from 73% as noted in the 1981 Bureau of the Census Report on Child Support. The impact of the child support guidelines would be absorbed by divorced fathers who are already paying support.
- Since 1978, those states that have strong feminist movements have passed a series of domestic relations laws involving an all win or lose situation based upon who gets custody and the linage to spousal abuse. Maryland is an excellent example of how the series of laws operate. In fact, Congressman Benjamin Cardin, former Speaker of Maryland's House of Delegates, was responsibile for structuring the State's Domestic Relations Laws.

- During Margret Heckler's tenure as Secretary, there was an attempt to use Sec. 467 of the Wage Assignment Law (98-378) to duplicate the States experiences with domestic relations laws at the Federal level. Section 467 requires that states adopt child support guidelines. It also mandates that the Secretary provide assistance to the States in developing guidelines. The assistance provided by Secretary Heckler consisted of the Robert S. Williams, PhD. consultant report which recommended the Melson Formula. This formula was developed by Judge Melson of either Dover or Wilmington Delaware in 1977.

- The Melson and other formulas contain unsubstantiated numbers that have no relation to reality. According to the Maryland Child Support Commission (Draft Guidelines, May 25, 1985), Judge Melson "looked in newspapers and visited boarding houses and restaurants, and came up with a figure." The Melson Formula attempts to apply the alimony statutes to child support.

- In 1985, Lenore Weitzman's Divorce Revolution was published. Ms. Weitzman states that "women with children experience a 77% decline in their stand of living in the first year after divorce." This is a false economic conclusion in at least three respects:

  - The data is pre-1978, and does not take into consideration the impact of the feminist sponsored domestic relations laws that have been passed by the States.

  - The research is based on two inner cities, and is not applicable to the entire country.

  - Consideration was only given to those marriages of long duration where there was excessive wealth. This eliminates 75-90% of the number of divorces.

- Both Lenore Weitzman's false economic conclusions and Margret Heckler's Melson Formula rely on pre-1978 circumstances to justify the redistribution of income. There is too much reliance on the pre-1978 situation to be a coincidence. Based upon the pre-1978 emphasis, there was an alleged conspiracy between Margret Heckler and the radical feminist groups including NOW to duplicate the feminist legislation passed by the States over the past decade at the national level.

On the basis of the above discussion, we request that the presumptive child support guidelines be deleted from the welfare reform legislation.

Sincerely,

Don Heine

Don Heine

1712 Fairhill Drive
Edgewater, Maryland 21037
(301) 952-3972 (W)
(301) 956-3697 (H)
June 14, 1987

Parade Magazine
Katharine Graham, Chairman of the Board
Benjamin C. Bradlee, Executive Editor
Kathryn Stearns, Letters to the Editor
Richard Cohen

Washington Post
1150 15th Street, N.W.
Washington, D.C.. 20071

Subject: "When A Husband Walks Out"
Sunday, June 7, 1987

Dear Ladies and Gentlemen:

On March 9, 1987, I wrote to Kathryn Stearns and Richard Cohen of the Washington Post regarding Judy Mann's article on "Tightening Child Support". Included with my letter were numerous attachments. These attachments contained documentation that address the issues identified in the left-hand column of the Parade article. Kathryn Stearns of "Letters to the Editor" made a commitment to print my response. However, she subsequently reneged. In addition, Richard Cohen stated that he would study the material and see where it would lead. He later refused to answer my telephone calls. With my comments on the current article, I am again forwarding a copy of my March 9, 1987 letter with the attachments. Hopefully, the Washington Post will, for once in a decade, print true and accurate information concerning divorce and child support.

The phrase "in the wake of divorce the standard of living of the ex-wife falls by 73%..." is entirely false. It is based on the following flawed methodology (Attachment "D"):

- The data predates the feminist-sponsored domestic relations laws, and is 10-20 years out of date.

- The research material was compiled in Los Angeles and San Francisco and is not applicable to the entire country.

- The author ignores over 90% of the divorces and only focuses on those marriages of long duration where there was excessive wealth.

The 73% statistic was set forth in Lenore Weitzman's book Divorce Revolutions. Eighteen months ago, Judy Mann of the Washington Post wrote a review of the book. It was presented as a significant academic accomplishment when in fact it is academic trash.

"Sixty percent of divorced fathers fail to support their children" is another gross falsehood. The 1983 Bureau of the Census Study on Child Support states that 88% of the support due under voluntary separation agreements is paid (Attachment "A"). The nonsupport issue is associated with court orders resulting from paternity cases where only 55% of the money is paid.

"If you are a 25-year-old woman today, you have a 30% chance of ending up an impoverished single mother" is an example of misrepresenting the facts. These statistics originate from the Bureau of Census Report on Fertility (Attachment "C"). They mean that for women between the ages of 18 and 24 years of age, 31.1% of their children are born out of wedlock. The Parade article makes the assumption that women with children born out of wedlock will probably be poor.

The entire article on "When A Husband Walks Out" is filled with misrepresentations of fact, deceit, and falsehoods. Someday the Washington Post or the Parade Magazine will print an article on divorce that is not a reflection of NOW's hidden agendas, a compilation of lies, or a misrepresentation of facts.

Sincerely,

Don Heine

Don Heine
Edgewater, Maryland 21037
(301) 956-3697

DH/ycg
Enclosures
cc: Washington Times

1712 Fairhill Drive
Edgewater, Maryland 21037

July 29, 1987

Honorable Jim Wright, Speaker
U. S. House of Representatives

Honorable Daniel Rostenkowski, Chairman
House Committee on Ways and Means

Honorable Thomas J. Downey, Acting Chairman
House Subcommittee on Public Assistance and
Unemployment Compensation

Honorable Thomas McMillen
4th Congressional District

Honorable Lloyd Bentsen, Chairman
Senate Finance Committee

Honorable Daniel Patrick Moynihan, Chairman
Senate Subcommittee on Social Security and
Family Policy

Honorable Barbara Mikulski
United States Senate

Honorable Paul Sarbanes
United States Senate

Re: HR-1720 (100-159) & S-1511
Welfare Reform
Opposition to Child Support
Guidelines and Automatic Withholding of Child Support

Dear Members of Congress:

On Monday, July 13, 1987, Members of the National Congress for Men, Silver Spring Chapter of Fathers United, National Council for Childrens Rights, and Children Unlimited met with staff from House Speaker Wright's office and Senator Bentsen's Finance Committee to discuss mandatory wage assignment, automatic child support increases and other sections of the proposed Welfare Reform Legislation.

- Senator Bentsen's staff requested that we forward information regarding the establishment of a nonadversary family court. This was a recommendation of the American Bar Association to the 1948 Conference on Family Life (Attachment "A"). It involves judges that are specialists in domestic relations. In addition, the courts would have a technical support arm comprising psychiatrists, social workers and others. This support mechanism would have to be enlarged to address the contemporary situation.

- To supplement the Family Court, there would be a need to revise the statistical bases contained within the various U.S. Bureau of the Census and USDA publications regarding household expenses. This information would assist the Courts in making objective decisions.

- In HR-1720, the provisions regarding incentives to states to have mandatory wage assignments and the establishment of a Commission to study the interstate problems associated with nonsupport were inserted subsequent to the Public Hearings of February 1987. There is a need for the House Subcommittee on Public Assistance and Unemployment Compensation to have an additional Public Hearing to address the new provisions, and other issues. House Speaker Wright's staff suggested that we contact the Ways and Means Committee and request an additional Public Hearing. The Ways and Means Committee staff referred the request to Ms. Debra Colton of the Subcommittee. Attempts were made to telephone Ms. Colton. However, the calls were never returned. Your assistance is requested in having the HR-1720 (100-159) referred back to the House Subcommittee on Public Assistance and Unemployment Compensation for further study.

- The nonsupport issue is concentrated in the inner city areas and is associated with paternity cases, the under employed and unemployed. The proposed Mandatory Wage Withholding and the automatic increase provisions come down very heavy on the divorced dad who is already paying child support and other expenses. These sections discriminate against the dad who is thrust into divorce against his will. The Judith Wallerstein and Joan Kelly study Surviving the Breakup (page 17) states that 75% of the divorces are initiated by wives (Attachment "B").

Thank you for taking the time to consider our requests.

Sincerely,

Don Heine

Don Heine
(301) 956-3697 (H)
(301) 952-3972 (W)

DH/ycg
Enclosures

ATTACHMENT "A"

REPORT OF THE DELEGATION OF THE AMERICAN BAR ASSOCIATION TO THE NATIONAL CONFERENCE ON FAMILY LIFE

RECOMMENDATIONS •

1. That the American Bar Association approves the first recommendation by its representatives to the National Conference on Family Life as follows:

> This National Conference on Family Life records its convictions (1) that our present divorce laws are producing widespread evils, and (2) that our laws in the field of domestic relations, instead of constituting a bulwark, are themselves a continuing threat to the stability of marriage in contemporary America.
>
> Therefore, this Conference respectfully urges the President of the United States to appoint a Commission of ten or more citizens to reexamine our laws regulating both marriage and divorce, and our legal procedures in divorce cases, in terms of their objectives, methods, and facilities; their results; and in the light of the social role they have to play in the preservation of the American Home.
>
> Such citizens should be outstanding leaders drawn from the fields of law, religion, medicine, education, and sociology.

(The foregoing recommendation was unanimously adopted in principle by the Legal Section of the National Conference on Family Life on May 7, 1948.)

2. That the American Bar Association approves the second recommendation by its representatives to the National Conference on Family Life as follows:

> This National Conference on Family Life urges the further extension and establishment of Family Courts and Juvenile Courts in accordance with these principles: (1) such courts should be presided over by judges who devote themselves to, and thus become specialists in, these fields; (2) such courts should have adequate hearing rooms, chambers, and other facilities suitable to their special purpose; (3) such courts should have adequate staffs including probation officers, psychiatrists, doctors, investigators, and social case workers; (4) such courts should have more generous budgets so that proper personnel can be attracted to and kept in these positions.

(The foregoing recommendation was unanimously adopted in principle by the Legal Section of the National Conference on Family Life on May 7, 1948.)

• These recommendations were adopted by the House (page 103 *et seq.*).

3. That a Special Committee of the Association be appointed to carry forward the proposals embodied in the above resolutions. It is suggested that the committee be named "Special Committee on Divorce and Marriage Laws and Family Courts."

REPORT

To the Board of Governors and the House of Delegates:

At the mid-year meeting in February 1948 at Chicago you approved the following resolution:

> *"Resolved*, That the Board of Governors hereby authorizes the participation of the American Bar Association as a sponsoring organization in the National Conference on Family Life, such participation to be limited and stated as follows:
>
> American Bar Association
>
> (Legal Section as to laws relating to marriage, divorce, etc.)
>
> *"Resolved Further*, That the President is authorized to appoint two or more representatives of the Association to participate in preliminary work and attend the Conference, and report to the House of Delegates or Board of Governors concerning it."

President Gregory appointed the undersigned. As instructed, we participated in the preliminary work of the National Conference, organized its Legal Section, attended its meetings held at Washington May 5-8, 1948, and now submit our report.

1. *The Legal Section of the National Conference on Family Life*

The National Conference on Family Life consists of 125 sponsoring organizations. They represent a great variety of interests dealing with different aspects of family life.

To make orderly action possible several "action areas" were created by the Conference. One was the Legal Section to which all legal problems relating to the family were referred.

We were asked to set up this Legal Section and to conduct its meetings in Washington, which we did. We received valuable assistance from other groups, who joined with us through their representatives, notably the National Association of Women Lawyers, National Association of Legal Aid Organizations, and the National Probation and Parole Association.

The Legal Section held its public meetings in Washington on May 7, 1948. It was presided over by Judge Paul W. Alexander, then Vice-Chairman of our delegation.

(In June 1948 Mr. Smith resigned as chairman because of the pressure of work connected with the Survey of the Legal Profession, and President Gregory appointed Judge Alexander to succeed him.)

The record of that meeting follows:

> "At the scheduled meeting of the Legal Section of the National Conference on Family Life, held May 7, 1948, the following motion was duly made, seconded and unanimously carried:
>
> "That the Legal Section approve in principle and transmit as its legal report the Legal Section's report as previously submitted, and
>
> "That the Legal Section earnestly request the appropriate officer or officers or body of the Conference promptly to pursue the recommendations of this section as submitted, with a view to obtaining action thereon, said recommendations being summarized as follows:
>
> "SPECIFIC RECOMMENDATIONS
>
> "1. That the President of the United States be asked to

appoint a Commission to re-examine the laws regulating marriage and divorce and legal procedures in divorce cases.

"2. That the Conference urge establishment of family and juvenile courts presided over by specialist judges and having adequate quarters, staffs, and budgets.

"3. That the Conference urge immediate extension of Legal Aid offices and low cost legal services."

It will be noted that in our recommendations at the beginning of this report we do not include any recommendation as to immediate extension of Legal Aid offices and low cost services. That is because the American Bar Association is already emphatically on record and has its Standing Committee on Legal Aid Work and its Special Committee on Low-Cost Legal Service.

We carried to the National Conference on Family Life the story of what the American Bar Association is doing in these important fields, but to ask the Association to resolve in their favor would be like carrying coals to Newcastle or, in Judge Vanderbilt's version, like carrying owls to Athens.

Because of the widely different fields of activity of the 125 supporting organizations, it was deemed unwise to ask the Conference as a whole to adopt resolutions. That would have meant asking persons to vote on matters beyond their competence and would have been unfair.

Consequently the matters pertaining to law were acted upon by the Legal Section of the Conference and its unanimous vote has been reported above.

2. *Marriage and Divorce Laws*

As representatives of the American Bar Association we filed several interim reports and legal memoranda with the National Conference on Family Life. After discussions with the officers of that Conference our committee agreed upon the content of its final report, which was filed in March 1948.

Being a document of 29 pages, it is too long to reproduce here. An official copy is on file with the Secretary of the Association and the committee will supply copies to members of the Association on request.

The members of the Association have been kept informed of our activities through a series of articles in the JOURNAL. The citations are 33 A.B.A.J. 1207 (December 1947); 34 A.B.A.J. 43 (January 1948); 34 A.B.A.J. 195 (March 1948); and 34 A.B.A.J. 448 (June 1948).

The principles which have guided us are two and can be stated.

First, when the law bogs down badly, lawyers look to see if the fault may not be in the premise with which the law is forced to work. The great historical precedent is the rise of equity when the common law became too rigid to accomplish justice. In our own lifetimes we have seen the new premise of workmen's compensation supplant the outworn premise of employers liability for "fault" in connection with accidents.

It seems clear that this premise of *punishment* which permeates our divorce laws is outmoded and has been repudiated by the social conscience of modern society. We propose, therefore, the new premise of *prevention*.

Second, we believe there are areas of life which the law can learn better to control by enlisting the resources and techniques of other social sciences.

The analogy which immediately comes to mind is that of the juvenile court. If a young boy has been arrested for some offense, he cannot be fined because he has no money and it is worse than useless to commit him to some kind of children's prison. The law has made great progress by calling

in the aid of the church, the school, therapy, psychiatry, and recreation.

How far divorces can be prevented may be an open question. We have some evidence that is distinctly encouraging and other evidence is admittedly discouraging.

We have not taken a doctrinaire position. We know things could not be worse than they are. Along the lines we have suggested there is legitimate hope.

Our position is that our proposals warrant study by representatives of all groups that may have contributions to make.

The suggestion of a Presidential Commission follows the precedent of the Commission on Higher Education whose reports have received nation-wide attention. It is hardly necessary to add that, as our proposal is entirely non-political, it should not formally be presented until after the political excitements of a presidential election year are over.

Then the proposal should be put forth promptly. We desire to obtain the benefit of the enormous amount of publicity which has appeared in the magazines, newspapers, and periodicals. We are especially happy to be able to report that this publicity has been overwhelmingly favorable and that great credit has been given to the American Bar Association for its courage and intelligence in attacking a problem which everyone knows is tough and far from simple.

3. *Family Courts*

Reform of the divorce laws will do no good unless we can establish new procedures in courts which are especially designed and equipped for the purpose.

Such courts we call family courts. They should have jurisdiction over all problems, civil and criminal, that directly affect the family or its members. Equitable as well as legal remedies should be in their hands.

The judges need to be experts and the only way they can become expert is by devoting themselves to this type of judicial work year after year.

They must have adequate staffs. This means probation officers, investigators, case workers, psychiatrists. The personnel must be decently paid; in fact, the salaries must be enough to attract and keep the best type of personnel.

Of course this will cost more money than the typical divorce court costs today *in terms of money*. What must be made plain to the American people is that the total cost of the administration of justice is no more than a drop in the bucket of national or state expenses, and further that the cost of our present divorce system *in terms of human tragedy* has become too high to be tolerated any longer.

The American Bar Association has always been sympathetic to the evolution of family courts. The time is ripe to give the movement a great forward push.

That is the objective of our second recommendation.

4. *Special Committee on Divorce and Marriage Laws and Family Courts*

To implement our two resolutions we ask for the appointment of a special committee of the Association.

As a delegation we have carried out the mission assigned to us.

To continue as a "delegation" seems awkward. A special committee fits into the operating structure of the Association.

The practical situation is this. The National Conference on Family Life has no power to bind its members and so will not take affirmative action itself. It will continue as a liaison body and it will help us reach and enlist the support of those of its members who can be powerful allies. Many of these have already pledged their support.

The members of the National Conference on Family Life look to the American Bar Association for leadership. Public opinion has been taught to look to the American Bar Association for leadership.

Unquestionably the Association's prestige and the goodwill it enjoys create a rarely favorable opportunity.

It is perfectly plain to those of us who have, for the time being, been your representatives in this area of legal action that by prompt and decisive action now the Association can make a major contribution to the stability and moral health of the American family, and so to the well-being of our nation.

Respectfully submitted,

PAUL W. ALEXANDER,
Chairman
CHARLOTTE E. GAUER
CLARENCE KOLWYCK
WILLIAM P. MACCRACKEN
WILLIAM L. RANSOM
REGINALD HEBER SMITH

ATTACHMENT "B"

The Ambiance of Divorce

The Decision to Divorce

People opt for divorce for complex motives, some of which have little, if any, relation to marital incompatibility. Unlike the decision to marry, the decision to divorce rarely occurs by mutual consent in families with children. Customarily, one partner wants to get out of the marriage with a great deal more passion than the other. Many times, only one partner wants to get out at all. For instance, in our study, women took the final step to terminate the marriage in three-fourths of the cases, while nearly half the husbands strongly opposed their decision. On the other hand, one-third of the women bitterly opposed the divorce, including some who had filed for the divorce originally themselves out of anger and hurt pride.

Whoever was the initiator, the differences between husband and wife over the decision to divorce set the tone for the interactions of the separation period. The parent who opted for the divorce, we found, tended to see the children as relatively well and adjusting to the crisis without difficulty. The parent who disapproved of the divorce, however, was more likely to perceive the children as suffering or in crisis. Such differences in regard to the decision to divorce and the aggrieved responses of the marital partner who opposed it usually lie at the root of litigation over child custody.

The nature and circumstances of the decision to divorce, in turn, become factors in the child's capacity to cope, immediately or eventually, with the family rupture. To set the general framework, there appears to be an important link between the child's success in coping and his or her capacity to understand and make good sense of the sequence of the disruptive events within the family. The child's efforts at mastery are strengthened when he understands the divorce as a serious and carefully considered remedy for an important problem, when the divorce appears purposeful and rationally undertaken, and indeed succeeds in bringing relief and a happier outcome for one or both parents. The child's understanding is reinforced by the perceived improvement in the condition of a parent, and thus, though the transition period may be difficult, the child's overall sense of coherence and order is not undermined. Moreover, under these circumstances, the child's very efforts at mastery may be additionally rewarded by a greater understanding of the nature of human relationships in general.

Conversely, where the divorce is unplanned, undertaken impulsively, pursued in anger or guilt over fancied or real misdeeds, or where the divorce coincides with other unrelated family crises, the child's capacity to cope is severely burdened. He is likely to be confused and bewildered and feel that his parents lack rational direction. If he feels they are driven by hate or mere impulse, he may perhaps conclude that there is no rational way to comprehend the distress that he and the other children have experienced. Thus, the basis on which the divorce decision is taken can have long-standing consequences for the child's capacity not only to integrate the experience, but also for his attitude and assessment of his parents and, through this, his view of the entire adult world.

Judith Wallerstein & Joan Kelly,
Surviving the Breakup (1980).

1712 Fairhill Drive
Edgewater, Maryland 21037

September 12, 1987

U. S. House of Representatives
Hon. Jim Wright, Speaker
Hon. Daniel Rostenkowski, Chairman
Hon. Thomas McMillen
Hon. Thomas J. Downey, Acting Chairman

U. S. Senate
Hon. Lloyd Bentsen, Chairman
Hon. Daniel Moynihan, Chairman
Hon. Barbara Mikulski
Hon. Paul Sarbanes

U. S. Attorney General
Hon. Edwin Meese

State of Maryland
Hon. William Donald Schaefer, Governor
Hon. J. Joseph Curran, Attorney General
House Judiciary Committee
Senate Judicial Proceedings Committee
Senator Gerald Winegrad
Delegate Mike Busch
Delegate John C. Astle
Delegate Don E. Lamb

Re: Welfare Reform - Request for a Legal, Performance Audit and Background Investigation of the Child Support Enforcement Agencies

Dear Members of Congress, Governor Schaefer, Members of the Maryland General Assembly, and U. S. and Maryland Attorney Generals:

There has been misuse and abuse of resouces within the Administration of the Child Support Enforcement agencies at both the Federal and State levels. Prior to any legislative action, there should be a joint investigation at both the State and federal levels considering the legal, performance and background aspects of the program. This position is based upon the following allegations.

Margret Heckler, while Secretary of DHUS, conspired with radical feminist groups including Lenore Weizman, to use the Office of Child Support Enforcement to implement the feminist policy of redistribution of income. Section 467 of the Wage Assignment Law (98-378) was used to reestablish the States experiences with feminist-sponsored domestic relations laws at the Federal level. Section 467 requires that states adopt child support guidelines. It also mandates that the Secretary provide assistance to the States in developing guidelines. The assistance provided by Secretary Heckler consisted of the Robert S. Williams, PhD. Consultant Report which recommended the Melson Formula. This formula was made up by retired Judge Melson of either Dover or Wilmington, Delaware, in 1977. The Melson and other formulas within the Report contain unsubstantiated numbers that have no relation to reality. According to the Maryland Child Support Council (Draft Guidelines, May 25, 1985), Judge Melson "looked in newspapers and visited boarding houses and restaurants, and came up with a figure." The Melson Formula attempts to apply the alimony statutes to child support.

To publicize Margret Heckler's action, Lenore Weitzman published her book Divorce Revolution. It set forth the false economic conclusion that "women with children experience a 73% decline in their standard of living in the first year after divorce." Newspapers and talk shows all over the country, including the Washington Post, sensationalized and presented the work as being a great academic accomplishment, when in fact, it is trash. The false economic conclusion is based upon pre-1978 data compiled in two inner city counties that focused on only marriages of long duration where there was excessive wealth. The emphasis on the pre-1978 situation by both Margret Heckler and Lenore Weitzman is the unifying factor. Nineteen seventy-eight is the beginning of the feminists domestic relations laws at the state level. These laws are based upon the principle of all win or lose depending upon who gets custody and the linkage to alleged spousal abuse.

The Robert G. Williams, PhD. Consultant Report is an embarrassment to the United States Government and the academic community. There is no economic basis for any of the numbers within the Report. Since the release of the Report, Mr. Williams has been traveling around the country sneaking whatever portions of the Report he can through the court systems of the states. This is substantiated by comments from the Administration of the Oregon Courts. Those court systems that have adopted portions of the Dr. Williams Report should be identified. It was stated by the Oregon Courts System in its December 1986 Draft Guidelines which incorporate elements of the Melson and other formulas that child support delinquency would probably increase.

In Maryland, under Anne Helton, both public funds and the Office of the Child Support Enforcement Agency have been used to deceive the Maryland General Assembly and the general public. Furthermore, the position of Administrator has been used to lobby for and implement radical feminist policy.

Sometime during 1986 and early 1987, public service television announcements were distributed to the Baltimore area stations. One release depicted a white middle income child calling his father asking for child support. Another illustrated a white upper-income child calling his father and saying "don't go skiing, send your child support." This is contrary to the Maryland Child Support Enforcement Advisory Council's 1984 Report. The Report, of which Ms. Helton assisted in the preparation, states that the nonsupport issue is focused in the City of Baltimore and is the result of births by teenagers, unemployment, disability, and incarceration. According to the U. S. Office of Child Support Enforcement, the falsified public service announcements were funded by Maryland's Child Support Enforcement Agency. This action represents the use of public funds to deceive the general public.

In 1985, Ms. Helton and other members of the Maryland Child Support Advisory Council attempted to deceive the Maryland General Assembly in their testimony on the Wage Assignment Bills (HB 618 and SB 58). No references were given to either the Federal requirements for Child Support Guidelines or the establishment of Child Support Advisory Committees. Attachment "A" is a copy of Ann Helton's testimony. It documents the deceit.

In the spring of 1987, Ms. Helton again attempted to deceive the Maryland General Assembly in her testimony on Senate Bill 706. This Bill would have given the State's Child Support Enforcement Administration the right to establish child support guidelines. It was a means of implementing the Melson Formula. When questioned by the State Senators about the Melson Formula, she responded with comments about the success of the New Jersey Formula.

Since the attempt to deceive the Maryland General Assembly in 1985, Ms. Helton has been traveling all over the State lobbying for the Melson Formula which has no formal status. She has used the resources of her office to conceal other formulas from the general public. This is in conflict with both the Maryland General Assembly and the Administration of Courts which have rejected the Melson Formula.

Ms. Helton has used her office to disseminate falsified information regarding child support arrearages. The Introduction to the Child Support Guidelines (Melson Formula) adopted by the Maryland Child Support Advisory Council contains a $400 million arrearages figure. When questioned in September 1986, in front of Maryland State Senator Gerald Winegrad, regarding the $400 million figure, she admitted that it includes all cases that were never closed. Ms. Helton stated that the open cases go as far back as the late 1930's. Some of these children are now 45-55 years old.

At the Federal level, Mr. Wayne Stanton, Administrator of the Family Support Administration, deceived the general public in his comments contained within the Washington Times article of April 28, 1987, regarding welfare. Mr. Stanton included references to child support guidelines within his discussion. He created the impression that child support guidelines would reduce welfare. Child support guidelines distributed under the 1984 Wage Assignment Law (PL 98-378) have an insignificant relationship to welfare. I called Mr. Stanton's office, and inquired about the misrepresentation of facts. I was informed by the Public Affairs Officer that "they don't have to tell the truth."

Jurisdictions are required to demonstrate that there is an annual increase in the amount of nonsupport collected. Approximately 66% of all child support is paid. Nonsupport is concentrated in the inner city minority areas where median family incomes are one-half of the suburban jurisdictions. It is characteristic of the teenagers, unemployed, and paternity cases. In addition, the typical employed nonsupport father is in an occupation not conducive to wage liens. They are contract laborers, tradesmen, craftsmen, and off-the-books employees. The amount of money that can be collected is nearing the point of diminishing returns. To increase the dollar amount collected, state's attorneys are pulling in paying fathers under URESA for an increase. The courts are rubber stamping the process. Brown v. Brown (Case #17-149-87R-112) in Baltimore County, Maryland, is an excellent example. The State's Attorney filed pleadings that were deficient on 13 points. The father's rights were further violated by having the State's Attorney schedule the hearing instead of the courts. There is a need to ientify the type of practices that the State's Attorneys and Child Support Enforcement agencies are using to show increases in the dollar amounts of arrearages collected.

In conclusion, based upon the above discussion, there are sufficient grounds to warrant both a Federal and State investigation of the child support enforcement agencies. This joint investigation should inclue a format that addresses legal, performance, and background issues.

Sincerely,

Don Heine

Don Heine
(301) 956-3697 (Home)
(301) 952-3972 (Work)

ATTACHMENT "A"

DHR DEPARTMENT OF HUMAN RESOURCES

BILL No.: HB 618 **COMMITTEE:** Judiciary
TITLE: Child or Spousal Support - Earnings Withholding
Statement by: Ann C. Helton, Executive Director
Child Support Enforcement Administration
D H R POSITION:
Support with Amendment

House Bill 618 would require that support payments be withheld from the earnings of parents whose child support obligations are overdue.

As you may know, the Congress passed, and the President signed into law, the Child Support Enforcement Amendments of 1984 (P.L. 98-378). This law, whose purpose is to strengthen and improve child support services nationwide, was passed unanimously by both House of Congress. In recognition of the effectiveness of earnings withholding, the federal legislation require that all states enact income withholding laws. In addition, the federal law provides for expedited establishemnt and enforcement of support orders, mandatory interception of state and federal income tax refunds, establishment of paternity to age 18, the use of liens, bonds and security to guarantee payment in cases of payors who are likely to be delinquent, and numerous other administrative changes. The law also calls for a gradual reduction in federal financial participation by the Federal Government in administrative costs from 70% to 66% by 1990 and payment of incentives to the states based upon their efficiency and effectiveness.

Although Maryland is far ahead of most states in implementing many of the program improvements in P.L. 98-378, we fall short in complying with the income withholding sections. Present law provides for imposition of a lien on earnings if an obligor is 30 days in arrears. After this time, a petition for a lien may be filed. At this point, the similarity between current law and the bill we are considering ends. Under present law, if the obligor is actually served with show-cause order and objects, nothing happens until a hearing is held. After long delays because of docket backlogs, the judge still has the discretion not to order a lien. The obligor may raise any excuse for non-payment, excuse that would not be given any credence if raised in an ordinary debt collection case. And this is where the system drags on and/or breaks down.

For Additional Information Contact: Dale Balfour 269-29.

BILL No.: HB 618

At present, more than 80% of the court ordered child support cases handled by the Child Support Enforcement Administration are at least 60 days in arrears. Arrearages total well over $300 million in FY 1984. Enactment of the income withholding legislation being considered by this committee would go a long way toward reducing the number of delinquent cases, creating greater efficiency in the courts and child support agencies, removing any stigma now associated with liens on income, and most importantly, ensure that thousands of Maryland children regularly receive the financial support they are entitled to and need to survive.

The proposed HB 618 incorporates the major desirable features that are required by the Federal statute and that we all worked for during the 1984 session. They are as follows:

- a requirement for a conditional order of income withholding in every support order
- the automatic triggering of wage withholding
- a requirement that withholding occur without need for amendment to the underlying support order
- procedural protections for the obligor that are in compliance with the due process requirements in Maryland
- provision for termination of withholding
- detailed language regarding employers' rights and obligations
- priority of support collection
- interstate wage withholding

We would like to recommend that Section 10-128 (page 9) be amended to delete the requirement that the recipient report a change of address to the employer if the employer is sending the payment to the support enforcement agency. Suggested language follows:

line 30 after court; add and

line 32 order; and change and to or

alimony only

WELFARE REFORM
Submitted to US Senate
on March 2, 1988

The Myth Of Nonsupport
By Don Heine
1712 Fairhill Drive
Edgewater, Maryland 21037
(301) 956-3697

For over a decade the media has deceived the general public regarding the facts behind nonsupport. By crossreferencing the various Bureau of the Census reports on nonsupport and fertility, Survey of Buying Power's annual median buying income statistics, vital statistics generated by the states, Bureau of Labor Statistics reports on unemployment, the Maryland Child Support Commission's 1984 Report, Senator Moynihans book on Nation and Family, employment characteristic table prepared by the Maryland Child Support Enforcement Administration released in July 1987, and observing hours of the 800 nonsupport cases heard in Prince George's County Maryland the myth of nonsupport can be explained.

The Bureau of the Census reports on nonsupport clearly state 70% of all child support is paid. The following accounts for the 30% arrearages

* Unemployed- 60% Of nonsupport fathers are unemployed. Only 1% earn over $29,000 a year.

* Underemployed- 20% to 30% Of all nonsupport fathers.

* Paternity- 50% of all nonsupport fathers. Unlike marriage , there is no permanent commitment.

* Teenages- Combination of the above.

* Illegal Occupations- Combination of the above.

* Unrecorded Income- This includes off the books jobs, trade and crafts-men doing part-time jobs, contract laborers shifting jobs, and contract agent situations.

* Sexist Census Bureau Reports- Census Bureau reports only surveyed Women. This reduces the amount owed from 30% to 24%-25%.

* Inner City - Nonsupport is concentrated in the inner cities and in the corridors extending into the surburbs. Only 20% of the child support owed in the inner city jurisdictions is paid. The situation is the result of the above factors.

* Incarcerated- At anytime 9%-10% of nonsupport fathers are in jail.

* Do Not Know They Have to Pay- At the bottom of the social, economic, and intellectual pile there are about 4%-5% of the nonsupport fathers that do not know or understand that they must pay child support.

The nonsupport issue will continue. This is because you can not get something out of nothing. The child support guidelines and the mandatory wage assignment proposals are attacks on marriage, husbands, sons and men in general. The intent is to get Dads locked into assystem where they pay more and more until they become indentured servants.

STATEMENT TO THE SENATE FINANCE COMMITTEE
ON
THE FAMILY SECURITY ACT
BY
NANCY M. NEUMAN, PRESIDENT
LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
MARCH 3, 1988

The League of Women Voters of the United States (LWVUS) appreciates the opportunity to comment on S. 1511, the welfare reform legislation currently before the committee.

From its inception in 1920, the League has had a deep commitment to helping impoverished and low-income persons. To this end, League members have worked to end discrimination in employment and education, and we have worked to improve the quality of and access to programs designed to help the poor.

As you know, the League is a nonpartisan, volunteer citizen education and political action organization made up of 1,200 state and local Leagues in all 50 states, the District of Columbia, Puerto Rico and the Virgin Islands. We represent more than 250,000 members and supporters.

The League of Women Voters has some serious concerns about S. 1511, the Family Security Act, which the committee is currently debating. Our concerns are based on the League's current position on income assistance, which was adopted in 1971. It states in part that "the LWVUS believes that the federal government bears a major responsibility for providing income assistance to meet the basic needs of all persons in the United States who are unable to work, whose earnings are inadequate, or for whom jobs are not available." Further, the LWVUS believes that the federal government should set income and eligibility standards and that "benefit levels should be sufficient to provide decent, adequate standards for food, clothing and shelter. Supportive services should be available -- but not compulsory -- for participants in income assistance programs."

Our concerns about S. 1511 are based not only on the aforementioned position, but on the results of a nationwide survey that the League recently completed on the extent of unmet needs across America. The survey was conducted in conjunction with a two-year League study on Meeting Basic Human Needs, which looks at unmet needs in four areas: adequate income, nutrition, housing and access to health care. In order to document unmet needs throughout America and in order to educate League members, the League of Women Voters Education Fund (LWVEF), the 501(c)(3) citizen education counterpart to the League of Women Voters of the United States, designed a four-part community profile. The survey, which was conducted by League volunteers, involved more than 700 local Leagues in all 50 states. They collected the following information:

Demographic data about the community being surveyed, including population statistics, unemployment rates, minority population and poverty rate.

Program participation rates from local public and private social service agencies regarding the number of families and/or individuals requesting assistance.

Perceptions on the extent of unmet needs in the community. This information was obtained by interviewing social service administrators, caseworkers, volunteers at private shelters and food banks, public officials, hospital administrators and school personnel.

More than 6,500 individuals were interviewed at the local level. An additional 280 state-level administrators and elected officials were asked similar questions regarding unmet needs from the state perspective.

Information on assistance available for specific needs. This information was obtained by including in the profile five hypothetical, but realistic case studies of individuals in need. For each of the cases, League members investigated what community resources would be available to an individual in those circumstances, what documentation would be required and how long a waiting period, if any, there would be. League members also documented the effort involved in obtaining assistance, i.e., the number of telephone calls required, the number of trips to various social service agencies and the quality of the service received.

Soon the LWVEF will be issuing a full report analyzing the data that Leagues gathered. However, because the survey results are pertinent to our views about S. 1511, we wanted to provide preliminary information to the committee as you consider the Family Security Act.

The results of this survey point up that changes are needed in the welfare system as it currently exists. Moreover, they highlight some of the League's concerns with S. 1511. The League of Women Voters is deeply troubled by the entire "welfare reform" debate as it is currently structured. There are many who would like to eliminate the welfare system entirely, and there are those who believe that the problem is the welfare system itself. The League believes that the problem is not the welfare system per se, but the larger problem of poverty. We are wary of comprehensive welfare reform proposals that set up great expectations that the "welfare problem" will be "solved."

The League is uneasy, therefore, that in the framework of this debate, S. 1511 falls short in overcoming some of the major problems that currently exist in the "welfare system." We believe that there are a number of changes that have to be made to S. 1511 in order to achieve true welfare reform. If these changes, as outlined below, are not made, the resulting bill could place many recipients in a situation worse than their current situation.

League concerns include two very basic conceptual issues. One is the issue of funding. The League firmly believes that for any welfare reform to succeed it is necessary to put sufficient money into the program. We believe that the $5.6 billion provided over five years in the House-passed bill is more realistic to achieve the ends of true welfare reform than the $2.6 billion provided for in S. 1511. Without adequate funding, such as that provided in the House bill, we are concerned that Congress could set up great expectations without providing the funds needed to reach those expectations.

This concern is backed up by the results of our survey which show time and again that there is inadequate funding and increased demand for welfare services. The vast majority of community officials and service providers (67%) interviewed said that the demand for assistance has increased over the past three years. Many of the respondents, particularly those from large metropolitan areas with large minority populations, reported that their communities have been unable to meet the increasing demand. Sixty-two percent reported that their communities had the same or fewer funds with which to provide income assistance and 81 percent attributed this to the cutback in federal funds.

Respondents considered deteriorating economic conditions and an increase in households headed by women as two major reasons for the increased demand for income assistance. Only 10% of those interviewed felt that the problem of income inadequacy was due to "people not wanting to work."

Many of the respondents felt that large percentages of families eligible for assistance were not participating in the programs. The number one reason cited for low participation was "red tape -- hassles and long waiting lines -- as well as the documentation required."

Most of the respondents supported increased funding for assistance programs, with three out of four favoring increased funding for health care and housing programs and 60 percent supporting more funding for income assistance and food programs. Respondents overwhelmingly supported increasing the size of income assistance grants to the working poor, children and female-headed households.

A second League concern centers on the provision in S. 1511 that provides for waivers, and the philosophy behind it. S. 1511 would allow up to 10 states to receive waivers from current federal regulations in order to lump income assistance programs together. This is designed to give the states greater "flexibility" and to provide for "innovation" in administering these programs. However, we believe that the waivers contained in S. 1511 would, in essence, allow states to block grant their income assistance programs.

The League has had a number of objections to the concept of waivers, or block grants, particularly as they have been used by the Reagan Administration since the early 1980s. Because the League's position on income assistance is based on the premise that the federal government must bear a major responsibility for its citizens in the welfare system, and because the League position stresses that federal regulations are necessary to provide uniformity and fairness throughout the states, the concept of waivers goes against our basic premises and positions in this area.

Moreover, there are many ways to provide flexibility and innovation to states under both existing law and the House bill. For instance, waivers are now available under Section 1115 of the Social Security Act and the House bill, H.R. 1720, provides for a number of specific demonstration projects, but no block grants or waivers. The Senate bill, in contrast, specifically allows for the block granting of 8 programs, including Aid to Families with Dependent Children, Supplemental Security Income and Title XX (Social Services Block Grant). It would allow 10 states to receive waivers from these programs from the Department of Health and Human Services, thereby continuing to receive their share of funds appropriated for the programs without having to operate these programs. The League is strongly opposed to this provision and believes that it should be eliminated, or at the very least, contain strong protections for participants.

The League also has concerns about the the Job Opportunities and Basic Skills Training Program (JOBS). While we applaud the emphasis in S. 1511 on states providing a range of education, employment and training programs to recipients, we are disturbed that the provision reads that states "may" rather than "shall" provide this range of services. While we can support some flexibility for the states, this provision goes far beyond mere flexibility.

S. 1511 requires that states provide for mandatory participation of recipients, yet it does not require states to offer a variety of

programs to recipients. This could result in recipients being forced to participate in a limited number of programs such as workfare and job search. This is unacceptable to the League and would be a step back from current law.

Further, the League believes that the Senate bill must guarantee that states will provide a number of education, employment and training options to participants. This is extremely important since participation in these programs is mandatory and failure to participate could result in sanctions.

Another specific issue of concern to League members is that of support services. Our position is very clear that support services such as child care, health care, and transportation should be made available to participants in education, training and employment programs. S. 1511 does not guarantee child care, but provides that states shall assure adequate child care at the current rate of up to $160 per month. The League believes that S. 1511 must be amended to guarantee child care. S. 1511 demands that recipients participate in education, training and employment programs; it must in turn demand that the states provide adequate child care for these recipients. Further, the League would like to see the rates in S. 1511 increased from $160 to at least those levels set in the House bill ($200 per week).

In addition, we believe that S. 1511 should extend child care and health care to welfare recipients moving into the work force. The current debate on welfare reform recognizes the critical nature of transitional services, since it does recipients no good to obtain employment and immediately lose all health care and child care benefits which have been available to them in training programs and AFDC.

S. 1511 is similar to current law in that it provides for four months of child care, but it then expands this to give the states the option to extend for up to five additional months. Again, we believe that states must guarantee this child care and would like to see it extended even beyond this time period. Transitional Medicaid benefits should also be extended for a longer time period, such as the provision originally provided for in H.R. 1720 which would guarantee benefits for up to 24 months.

The need for child care and transitional child and health care is highlighted by some of our survey results. One example illustrates the point. A League member writes that: "The public aid official was very strongly set that one of the major problems is the fact that some of these people are worse off if they take a job than if they don't. Usually it would be a low paying job and people hesitate to take jobs because they can't afford to give up benefits. Assuming the children would need day care, this is very expensive and the programs for day care assistance have long waiting lists."

Respondents were also concerned about the crisis in health care. In particular, they noted that the high cost of medical care, the failure of employers to provide health insurance and the ineligibility of many poor and low-income families for Medicaid as barriers to receiving health care.

The League strongly backs the inclusion in S. 1511 of a provision that would extend AFDC benefits to families where both parents are unemployed. This is allowed, but not guaranteed under current law, and at present only half the states offer this benefit. Both H.R. 1720 and S. 1511 would mandate that all the states provide this benefit while providing adequate funding for the provision. S. 1511 and H.R. 1720

both also make improvements on the current child support enforcement system, provisions which the League supports. We would strongly oppose any attempts to scale back these provisions.

In general, the comments we received from League members throughout the country expressed exasperation with a system that provided a minimum of assistance, if any, with a maximum amount of red tape. The following comment is typical of those that the LWVEF received: "The (system) is geared to help only those who are totally without any resources ... instead of supporting (a) young family in its efforts to become self-reliant and self-supporting, the system encourages increasing dependence."

Other comments reflected the reality that the system frequently excludes eligible individuals from receiving assistance. "Many individuals are denied benefits due to missing an interview, blanks not filled in on an application, information incomplete or not verified, status reports not received on time, or forms being lost at the food stamp or AFDC offices." Many Leagues included copies of the paper work that had to be completed before eligibility for assistance could be determined. In many cases, the documentation went far beyond that which most "middle-class" people think is necessary to keep on hand. Thus, when an economic crisis hits the formerly middle-class, not only do they have too many assets to be eligible for assistance (i.e, a late-model car), they are caught unprepared and without the necessary documentation they would need to apply for assistance."

Even for those who have the necessary documentation, assistance may be elusive. The Eureka, California League reported on one individual it tried to help. "He was treated like dirt, never like a person. When he went to 'Welfare,' he was that he must have a paper from 'Unemployment.' When he immediately produced such paper, he was told that he had to go to 'Unemployment' after he had been to 'Welfare.'"

In addition, our results seem to show that the social service system is fragmented as it currently stands. The comments on the case studies reflected the difficulty and frustration inherent in trying to obtain assistance from a fragmented social service system. It was often impossible to locate the correct agency to contact, to find the correct telephone number for that agency and once those hurdles were overcome, to find the appropriate person at the agency to talk to. These barriers were sufficient to frustrate even the most sophisticated individuals who were not handicapped by being in the throes of a personal financial crisis.

The League of Women Voters recognizes that both Houses of Congress are aware of these problems and are attempting to remedy them. However, we are concerned that any welfare "reform" be very carefully crafted so that we do not set up another system replete with Catch-22s that result in punishing people because they are poor. Our study contradicts the current assumption that welfare recipients do not want to work.

The League's survey profiles provide fresh evidence of the gaps in this nation's social welfare system. Time and time again, public and private social service providers and elected officials reported that the demand for assistance has increased over the past few years, but that their communities do not have the resources to provide for basic needs.

The League urges you to continue to address the critical problems of poverty in our nation. Our survey results indicate that the need for assistance has increased, that there is insufficient funding for many welfare programs, that the system is often fragmented and that recipients are unable to deal with the bureaucratic red tape. By making the changes we have suggested in S. 1511, we believe the Senate Finance Committee can reform the welfare system to more fully meet the critical needs of poor people.

STATEMENT OF

THE NATIONAL WOMEN'S LAW CENTER

SUBMITTED BY

ANN KOLKER

This statement on the child support enforcement provisions of S.1511 is submitted by the National Women's Law Center, which has been involved for several years in the formulation of child support enforcement policy. Most recently, we worked closely with the members of this Committee, and their staffs, to help shape the Child Support Enforcement Amendments of 1984. We were pleased not only with the results achieved when those important amendments were finally enacted, but also with the leadership which this Committee provided on that effort. It is against this background that we revisit the subject of further improvements which can be made in the child support enforcement program.

S. 1511 As A Whole

While the bulk of these comments will address the child support enforcement provisions, we want to clarify at the outset that S.1511, the Family Security Act of 1987, as currently drafted, falls far short of acceptable "welfare reform" and that the praise given to Title I, Child Support and Establishment of Paternity, should not be construed as an endorsement of the bill as a whole. Indeed, widespread support for the child support provisions cannot carry other flawed aspects of the bill which must be corrected. There are key issues which the Committee must address. To be acceptable the bill must:

- Eliminate the waiver (block grant) title. As written, these provisions would effectively remove the federal entitlement of poor children to financial support.

- Guarantee that appropriate child care will be provided for those whose parents would be required to participate in the Job Opportunities and Skills (JOBS) program. The language of the bill does not make child care a guarantee and does not provide an adequate level of child care reimbursement.

- Require that priority in the JOBS program be given to recipients who actively seek to participate. Although it is preferable that participation in the JOBS program be completely voluntary, at a minimum, priority should be given to those who volunteer for the program.

- Establish a minimum level of education, employment and training activities in order to assure a high quality, effective program. As written, the bill contains no minimum activities.

- Repeal, or at a minimum, limit Community Work Experience Programs, along the lines of the bill passed by the House of Representatives.

- Require that states include the opportunity for high school education, basic literacy and English as a second language instruction, as a part of their JOBS program.

- Ensure equal pay for work assignments by prohibiting the displacement of paid employees, along the lines of the House bill.

- Ensure adequate protections, including hearing rights, in the event that disputes arise between participants and the state in the implementation of JOBS program and the child care and Medicaid transition requirements.

- Ensure adequate funding for the entire measure.

While all of the above-mentioned problems with the bill are serious flaws, it is appropriate in this discussion of child support enforcement to elaborate on one in particular: the waiver authority -- which would permit states to curtail or eliminate their child support programs altogether along with a host of other child welfare, foster care and income maintenance programs. Indeed, it is the supreme irony of this bill that strengthened child support enforcement leads the list of improvements proffered, yet a state would be free to abolish this very same program under the waiver authority. It is hard to believe that this Committee, which has put so much effort in recent years into requiring states to improve their child support programs, is now willing to let states simply shut them down. In light of the extraordinary license which the waiver authority would give states to undo or eliminate a whole range of federal programs -- it is essential to eliminate the waiver authority altogether. The alternative could be the evisceration or dismantling of a multitude of federal programs, including the child support program, which this Committee has designed and developed over the years.

Child Support Enforcement Provisions

Immediate Wage Withholding

One of the most far-reaching changes proposed by S. 1511 in the child support program is that within two years of the bill's enactment, all states must adopt immediate wage withholding. Under this requirement, all support orders would be paid by immediate withholding unless both parents agreed to opt-out of the system or the state finds good cause to permit an opt-out. As a safety net, a state's current wage withholding law (which, except in the four states which currently have adopted immediate withholding, requires wage withholding after specified arrearages of not more than 30 days) will apply to parties who opt-out of immediate withholding. For support orders issued or modified prior to or during the first two years following the bill's enactment, the state's current wage withholding law will apply. During this time, parents may opt-in to immediate wage withholding if either parent requests such procedure and the state determines that it is appropriate to grant the request.

While the summary of the scheme makes it sound straightforward and simple for the states to adopt, in fact, the way it is articulated in S.1511 is extremely confusing: sections of current law are cross-referenced and amended so many times that it is exceedingly difficult to decipher who is covered by immediate withholding, when eligibility commences, and just how those electing not to participate are treated. A relatively clear-cut scheme has been set out in an unnecessarily complex fashion and we urge that it be redrafted with greater clarity.

If our understanding of the scheme as set forth above is correct, we are pleased that immediate wage withholding will apply to all new support orders, both because states will need

some lead time to bring their wage withholding laws into compliance and because basic fairness requires that only new orders be automatically covered when immediate wage withholding is instituted. As we understand it, the new scheme also permits parents to request immediate withholding during the period before this provision is mandatory, as long as the state deems it is appropriate to grant the request. On the one hand, we are pleased that parents can elect immediate withholding prior to the state implementation deadline. On the other hand, we are concerned that the provision permitting the state to determine when it is appropriate to grant the request could effectively preclude parents from availing themselves of the remedy. For example, a state might determine that immediate withholding is not appropriate in an old case because it did not have the resources to deal with old orders, thus rendering the option meaningless. Therefore, this provision must be modified to preclude states from denying immediate withholding when both parents request it. If, however, only the custodial parent wants the immediate withholding and the non-custodial parent does not, the decisionmaker must be permitted to apply the same "good cause" standard applicable to new cases in these old cases. We note additionally, that when immediate withholding is requested on an old order, due process requires notice to the other party, and an opportunity to contest, which will necessitate that the revised language also reflect the state's obligation to provide the requisite due process protections.

We are pleased that the immediate wage withholding scheme contemplated permits an opt-out if both parties agree to an alternate payment scheme or the judge finds good cause. It is important that if the parents do opt out of the system, the state's current wage withholding law triggered by an arrearage continue to apply, as we believe the present bill requires. Thus, a state's current mandatory wage withholding law serves as a kind of safety net to those who choose not to use immediate wage withholding and ensures that mandatory withholding will "trigger in" should delinquency occur.

A technical problem that arises as a result of the scheme as drafted is that under current law a state may allow immediate wage withholding with no requirement that parents be allowed to opt out of the system, and the new scheme giving parents an opt-out does not supersede present law, but rather adds a new layer. Thus, even after the new law becomes effective, a state could have a law requiring immediate withholding with no opt-out -- an anomalous result. The bill should be amended to exclude the possibility that this result could occur, while ensuring in the process that all families opting out of immediate withholding have the back-up of a mandatory withholding law triggered by an arrearage.

$50 Disregard

The proposal to improve the pass-through of child support monies collected on behalf of children on AFDC is important because it assures that children entitled to the pass-through receive the payment due them on a monthly basis if the non-custodial parent pays on time. As members of this Committee are well aware, since the $50 disregard was first enacted in late 1984 there have been serious problems with timely receipt by the children. States have forwarded support payments collected not on a monthly basis, but for several months all at one time, particularly in interstate cases, and then passed along only one $50 disregard to the child, denying the child the $50 due for all of the months in which support payments were collected. The proposed provision, which requires payment of the pass-through if the non-custodial parent pays on time, will ensure that children receiving AFDC get the benefit of the $50 pass-through each month that support is collected for them -- a welcome improvement over current practices.

Guidelines

On the issue of guidelines, we support the bill's requirement that states adopt their guidelines as a rebuttable presumption. This will ensure application of the guidelines on a widespread basis, but provide the necessary flexibility in cases where the facts of an individual case suggest that strict application of the guidelines would produce inequitable results. Under the provision as currently drafted, a judge or other official who has the authority to determine child support awards does not have to apply the guidelines when "pursuant to criteria established by the state, [he or she] makes a finding that there is good cause for not applying the guidelines." The House bill frames the presumption a little differently, permitting a judge or other decisionmaker to deviate from the guidelines if the application would be "unjust or inappropriate in a particular case . . . ", language that is preferable because the decision to deviate from the guideline is most appropriately left to the discretion of a judge familiar with the facts of a particular case. The House bill also requires that "a written finding or specific finding on the record" be made when the guidelines are not applied, a provision we urge the Senate to adopt as well because it provides an important protection to the parties.

The periodic review and adjustment of awards is a concept that we endorse. The bill makes review mandatory every two years for those awards established under the guidelines and gives the parents whose awards were established prior to or outside the guidelines the right to request a review, if certain criteria established by the state are met. There are several problems with this review concept as it is set out in the bill. The scheme proposed is unwieldy and unnecessarily onerous on the states. States should be required to notify the parents every two years of their entitlement to a review under the guidelines upon the request of either parent, but states should not be required to go forward in the absence of a request from one of the parents. Periodic updating of award levels then becomes an entitlement of both parents but does not occur unless the right to a review is asserted by one of the parents. (In AFDC cases, the state wold have the right to institute a review, upon notification of both parents.)

This approach leaves to the parents the decision whether to subject their orders to review, for three reasons. First, the parents may believe that circumstances have not changed significantly enough since the order was entered to warrant a review. Second, the parents may not want to subject the order to a review process because of the risk that a change in the award level would be detrimental, since awards could be either raised or lowered in a review. Third, if neither parent wants to go forward, it would not benefit the child and would surely be a wasteful application of state resources to proceed with the review process. Contrary to popular perception, reapplication of the guidelines to update an award level is not a routine operation that can be performed simply by plugging new numbers into the formula. The parents may dispute basic issues which directly affect the award level such as parental income, an obligation to new dependents, the changed medical or child care needs of the child. The result is that these issues may have to be adjudicated in the updating process.

Another problem arises in giving families whose awards were established under the guidelines an entitlement to review, while requiring "pre-guidelines" families to meet certain criteria specified by the state in order to obtain a review of their award

level. These conditions arbitrarily and unfairly penalize the families whose awards were established prior to implementation of the guidelines and, indeed, could stand to gain significantly if the guidelines were applied in their cases. These families should have a right to have their awards recalculated under the guidelines if they request, and the state should not be permitted to establish criteria which would preclude old orders from reconsideration. Rather the decision about whether to exempt a particular order from review under the guidelines must be left to a judge or other decisionmaker who can determine whether there is good cause to do so.

We support the provision that requires that states review and, if appropriate, update the guidelines themselves as well as the award levels. This is particularly important in states which use guidelines which contain fixed dollar amounts. For example, the Melson formula developed in Delaware and used by several other states designates a minimum self-support allowance pegged to the poverty level which each parent can deduct from his/her income in calculating an award level. Since the poverty line rises annually, this self-support allowance must be adjusted upwards as well. The bill's requirement that the guidelines be reviewed every five years is thus inadequate, particularly in the situations described above, and should be modified to require review every three years.

Tracking and Monitoring

Another provision which offers the promise of more effective child support enforcement is the requirement that states adopt automatic tracking and monitoring systems. Now optional to the states but mandatory in the proposed legislation, these tracking and monitoring systems are essential to effective enforcement efforts. Only if a local enforcement program can maintain accurate records of payments made, keep up-to-date information about both custodial and non-custodial parents and track arrearages, can custodial families be assured that the enforcement agency is capable of making timely efforts on their behalf. During the debate on the 1984 amendments, we supported mandatory tracking and monitoring systems for the states, and continue to do so. We urge the prompt adoption of this provision.

Paternity Establishment

The proposal to increase financial incentives for states to improve their paternity establishment is laudable. Because of the poor record of many states in this area, we are pleased to see this issue addressed. We are aware that the specifics here are somewhat different than those in the House bill. We urge the Committee to look carefully at the options to determine which approaches will be the more workable and create the greater incentives.

Additional Information for Parent Locator and Commission on Interstate Enforcement

Two other laudable improvements are the proposal to add the Secretary of Labor as a source of information regarding wage and unemployment compensation claims and the proposal to establish a Commission on Interstate Child Support. Permitting the Secretary of Labor to supply wage and unemployment information to parent locator services will provide child support enforcement agencies with much needed information about the employment status and earnings of parents owing support. The proposed commission acknowledges that even the many improvements in this legislation will still not resolve the many problems which continue to plague

interstate cases. This commission has the opportunity to provide a systematic analysis of these problems, and to recommend carefully crafted and creative solutions. It is important that the commission be bipartisan and broad-based as it undertakes these tasks, and we are pleased it has been constructed as such.

Prompt State Response to Requests for Assistance

We are also pleased to see that the bill attempts to address the issue of "prompt state response" to custodial parents seeking assistance in establishing paternity or a support order, locating a non-custodial parent, or enforcing an order. Timely assistance to families seeking enforcement is a problem that we continue to hear a great deal about. The Center receives calls and letters regularly from custodial parents who are told that there is a several month waiting period, or that they would be better off retaining private counsel because the agency is too overloaded to take on any more cases. The language in the bill makes an effort to remedy this problem by requiring that HHS, in consultation with an advisory committee established to address the promptness issue, set forth "time limits governing the period or periods within which a state must accept and respond to requests . . . for assistance in establishing and enforcing support orders, including requests to locate absent parents, requests to establish paternity, and requests to initiate proceedings to establish and collect child support awards."

We believe a federally mandated standard is central to a timely support enforcement scheme. We addressed this problem recently when we commented on the Office of Child Support's proposed regulations governing the treatment of interstate cases. In that context, we suggested that a state making an interstate referral take action within 10 days of receiving a request from a custodial parent. If the request is for income withholding and the case meets the requirements for mandatory income withholding then the income withholding provisions of the statute should require that the state take action immediately. We believe the same standard -- 10 days for most requests, immediate if income withholding is requested and the federal standard for initiating withholding has been met -- is appropriate in this context as well. Whereas the ten day standard may not be appropriate for other aspects of enforcement -- the establishment of orders and paternities, for example -- HHS needs to think through appropriate standards for these services as well, and to articulate specific timelines for them.

Even when standards are developed for timely services, these standards will be ineffective without increased resources within the states to implement the IV-D services. In the end, a local child support program's ability to establish paternity and support orders promptly, locate parents quickly, and enforce orders before several months of arrearages accrue is dependent on an adequate number of people to handle the caseload. Caseworkers with caseloads of hundreds of clients will never be able to meet strict timeliness standards, because they simply cannot handle a workload of that size. While certainly states must commit to increasing their funding for the child support enforcement programs within their boundaries, the federal government, too, must, at a minimum, retain current funding levels. At this critical time it is essential that the federal government provide sufficient resources for all aspects of the child support program. Any meaningful effort to ensure more timely establishment and enforcement of support, as well as the implementation of the other improvements which this legislation requires, must acknowledge the importance of adequate federal funding to state and local programs.

Use of Social Security Numbers to Establish Identity of Parents

We oppose the provision requiring that the Social Security numbers of both parents appear on the birth records of every child. This opposition is based on our concern that there is not a sufficient state interest in keeping state files of Social Security number of the parents of all children born within the United States. Even with continuing growth of single-parent families, most children born today will not be affected by the state's child support enforcement system. Moreover, current law requires that when an application for public assistance is made, the identities and Social Security numbers of the child's parents be obtained. In short, requiring the Social Security numbers of both parents on a child's birth record absent a stronger demonstration of state interest is an unwarranted invasion of privacy and likely to lead to sanctions on parents that are similarly unwarranted. Thus, the proposal should be amended to require that the information be requested at the birth of each child, but that the parents not be required to disclose such information.

STATEMENT OF

DEQUILLA WALKER, CUSTODIAL PARENT

AND PLAINTIFF PRO SE IN ATLANTIC COUNTY, N.J. COURT PROCEEDING

GENTLEMEN:

THANK YOU FOR THE OPPORTUNITY TO PROVIDE WRITTEN TESTIMONY TO THE FINANCE COMMITTEE IN REGARDS TO SENATE BILL 1511.

AS A PARENT WHO HAS BEEN STRUGGLING TO SUPPORT A CHILD FOR THE PAST EIGHT YEARS, I FEEL I SPEAK FOR ALL CUSTODIAL PARENTS IN LENDING MY FULL SUPPORT TO MR MOYNIHAN'S CHILD SUPPORT AND WORK TRAINING BILL. FURTHER, I WOULD LIKE TO OFFER ALTERNATIVE SOLUTIONS TO STRENGTHEN SUPPORT ENFORCEMENT LEGISLATION.

I HAVE HAD TO REVISE MY INTENDED TESTIMONY DUE TO THE UNFORTUNATE OUTCOME OF A RECENT CHILD SUPPORT HEARING (I WAS THE PLAINTIFF PRO SE) IN ATLANTIC COUNTY, NEW JERSEY. WALKER V. WILSON, DOCKET NO. DR-6-84-1175-A, EMPHATICALLY STATES THAT THERE IS A DIRE NEED FOR DRASTIC CHANGES IN OUR NATION'S CHILD SUPPORT ENFORCEMENT LAWS.

THIS STATEMENT FOCUSES ON FACTS WHICH HAVE OCCURRED OVER THE PAST FEW YEARS IN THE WALKER V. WILSON PROCEEDING -- FACTS WHICH BRING TO LIGHT SOME OVERLOOKED PROBLEM AREAS IN ENFORCEMENT.

ON MARCH 1, 1988, A HEARING IN WALKER V. WILSON (ATLANTIC COUNTY) WAS HEARD TO DETERMINE, IN PART, THE AMOUNT OF ARREARAGES OWED TO PLAINTIFF DEQUILLA WALKER BY DEFENDANT CHARLES WILSON, JR. (ACCORDING TO THE COURT"S PROBATION OFFICE, MORE THAN $1,600 WAS OWED FROM APRIL, 1987 TIL THE TIME FO THE COURT HEARING). THE DETERMINATION WAS MADE BASED ON WILSON'S ALLEGED LOW INCOME FROM WORK IN 1987 AT AN ATLANTIC COUNTY CONVALESCENT CENTER. AT THE END OF THE HEARING, A TRIUMPHANT DEFENDANT EMERGED, HAVING BEEN TOLD THAT HE HAD TO PAY ONLY $105 IN ARREARAGES, AT THE RATE OF $15 PER WEEK. THE DEFENDANT DROVE AWAY FROM THE COURTHOUSE IN HIS VOLVO (ONE OF TWO CARS HE OWNS), PERHAPS TO HIS $730-PER MONTH MORTGAGED HOME. ONLY MONTHS PRIOR TO THE HEARING, THE DEFENDANT HAD TOLD THE COURT HE HAD BEEN FORCED TO RESIGN FROM THE FULL-TIME EMPLOYMENT HE HAD HELD IN HIS FATHER'S OFFICE SINCE 1979. THIS WAS A JOB THAT PAID HIM APPROXIMATELY $25,000 PER YEAR. LATER TESTIMONY WOULD STATE THAT IT WAS UNKNOWN WHO OWNED THE NEW CENTER WHERE HE WAS EMPLOYED, ALTHOUGH, IN REALITY, WILSON'S FATHER WAS AND IS THE OWNER AND MAJOR SHAREHOLDER IN THE CENTER. THE DEFENDANT REFUSED THROUGHOUT THE PROCEEDING TO SUBMIT, AS ORDERED BY THE COURT, COPIES OF HIS EARNINGS AS A PART-TIME MODEL FOR THE R.J. REYNOLDS TOBACCO COMPANY (IT WAS SIGNIFICANT FOR THE PLAINTIFF TO SHOW THE INCOME EARNED BY THE DEFENDANT SINCE HE WAS PICTURED IN BILLBOARDS AND MAGAZINES ACROSS THE COUNTRY). ON JANUARY 6, 1988, THE DEFENDANT EVEN REFUSED TO APPEAR TO SHOW CAUSE WHY HE SHOULD NOT BE JAILED FOR NOT TURNING OVER THE FIGURES TO THE PLAINTIFF. THE ATTORNEY FOR THE DEFENDANT STATED ON MARCH 1, 1988 THAT SHE HAD INFORMED HER CLIENT NOT TO APPEAR. THE DEFENDANT WAS NEVER JAILED; NEITHER WAS A STATEMENT OF EARNINGS EVER PRODUCED. THE SAME ATTORNEY WHO HAD ADVISED HER CLIENT NOT TO APPEAR HAD BEEN SUMMONED TO A SPECIAL SESSION OF THE COURT IN JANUARY, 1987, BECAUSE OF HER FAILURE AND THAT OF HER CLIENT TO PRODUCE CERTAIN PAPERS TO THE PLAINTIFF.

WHERE ARE THE CHILD SUPPORT LAWS THAT WOULD ALLOW A MAN TO COLLUDE WITH HIS EMPLOYER-FATHER TO EFFECTIVELY MASK HIS INCOME? THAT WOULD NOT ALLOW A MOTHER TO PRODUCE EVIDENCE OF SUCH COLLUSION (I REPRESENTED MYSELF THROUGHOUT THE MATTER)? THAT WOULD ALLOW AN ATTORNEY TO KEEP HER CLIENT OUT OF THE COURTROOM WHEN HE IS TO SHOW CAUSE WHY HE SHOULD NOT BE JAILED? TO SAY THAT THERE IS A CONSTITUTIONAL RIGHT TO APPEAL IS NOT ENOUGH -- THAT IS, NOT ENOUGH FOR AN INDIGENT MOTHER WHO IS WITHOUT THE PROTECTION OF THE WELFARE SYSTEM. THE APPELLATE PROCESS FOR AN INDIGENT PARENT REPRESENTING HERSELF OR HIMSELF IS A DIFFICULT, TIME-CONSUMING, EXPENSIVE PROCESS. WHERE IS A PARENT TO GO?

ALTERNATIVE SOLUTIONS

- THERE IS A NEED FOR A "GO-BETWEEN" AGENCY WHICH CAN HELP ALLEVIATE THE BURDEN ON GOVERNMENT AGENCIES CHARGED WITH HANDLING CHILD SUPPORT LITIGATION AND ASSIST PRO SE LITIGANTS. THIS AGENCY COULD BE STAFFED WITH AFDC PARENTS WHO WOULD BE TRAINED TO ASSIST IN THE PREPARATION OF PAPERS AND OTHER PRELIMINARY NEEDS IN THE LITIGATION PROCESS.

MY FIRST HEARING IN WALKER V. WILSON TOOK PLACE IN 1983, OVER THREE YEARS AFTER I PETITIONED FOR SUPPORT. IN 1981, ONE YEAR AFTER MY PETITION HAD BEEN SUBMITTED, I WAS TOLD BY THE DISTRICT OF COLUMBIA AGENCY HANDLING MY MATTER THAT AN INITIAL REQUEST HAD NOT BEEN FORWARDED TO THE ATLANTIC COUNTY COURTS. WHEN I DISCOVERED THAT THERE WERE LESS THAN TWENTY PAGES OF FORMS TO BE FILLED IN, I VOLUNTEERED TO TYPE THE PAPERS MYSELF. WITHIN TWO MONTHS, THE INFORMATION WENT TO ATLANTIC COUNTY.

THE GO-BETWEEN AGENCY COULD ALSO RECRUIT PRO BONO ATTORNEYS WHO COULD OFFER, IN EXCHANGE FOR TAX INCENTIVES OR SOME OTHER TYPE OF REWARD, FREE SERVICES TO INDIGENT PERSONS SEEKING SUPPORT.

- NEW LAWS MUST SPECIFICALLY STATE WHAT OFFENSES WILL NOT BE TOLERATED AND MUST REQUIRE THE COURTS TO ACT SWIFTLY TO MAKE SURE THAT VIOLATORS WILL BE PUNISHED.

- IN CASES WHERE LITIGANTS CAN MINIMALLY PROVE THAT THERE IS A CHANCE THAT THE JURISDICTION IN WHICH THE DEFENDANT IS SERVED IS ONE IN WHICH THE PLAINTIFF DOES NOT STAND THE CHANCE OF RECEIVING A FAIR TRIAL, THE PLAINTIFF SHOULD AUTOMATICALLY BE GIVEN THE RIGHT TO CHOOSE ANOTHER COUNTY OR AREA IN THE STATE WITHOUT HAVING TO REQUEST A CHANGE OF VENUE. LIKEWISE, THE DEFENDANT SHOULD BE GIVEN TH E SAME OPPORTUNITY.

FOR EXAMPLE, IN 1983, I MET WITH THE COUNTY COUNSEL APPOINTED BY ATLANTIC COUNTY TO HANDLE MY FIRST HEARING IN WALKER V. WILSON APPROXIMATELY THREE HOURS BEFORE TRIAL. THE ATTORNEY EXPLAINED THAT THE DEFENDANT'S FATHER WAS A POWERFUL FIGURE IN THE COUNTY AND WAS GENERALLY THOUGHT OF AS A VERY NICE PERSON. HE ALSO STATED THAT HE (THE ATTORNEY) HAD HAD BUSINESS DEALINGS WITH THE FATHER. A MERE MINUTES BEFORE WE ENTERED THE COURTROOM, THE ATTORNEY URGED ME TO DROP THE CASE AND AGREE TO THE DEFENDANT'S OFFER TO PAY HEALTH INSURANCE COSTS, BUT NO OTHER FORM OF FUPPORT. IF NOT FOR MY WISE DECISION TO CALL AND GET ADVICE FROM FRIENDS AT A NORTH CAROLINA LAW FIRM, I MIGHT HAVE BEEN RAILROADED INTO GIVING UP MY CHILD'S RIGHT TO SUPPORT.

- IN CASES WHERE THERE IS A POSSIBILITY THAT AN EMPLOYER HAS COLLUDED WITH AN EMPLOYEE TO HELP THAT EMPLOYEE AVOID HIS/HER SUPPORT OBLIGATIONS, TH E LAW SHOULD SET STIFF PENALTIES. ONE CALIFORNIA COURT FINED SUCH AN EMPLOYER $20,000 WHICH WAS MADE PAYABLE TO THE MOTHER IN LIEU OF A SMALLER AMOUNT OWED BY THE FATHER WHO WAS DODGING HIS COURT-ORDERED OBLIGATIONS.

- ATTORNEYS WHO ARE ASSISTING THEIR CLIENTS IN VIOLATING CHILD SUPPORT LAWS SHOULD BE DEALT WITH. NO ATTORNEY HAS THE RIGHT, FOR EXAMPLE, TO ADVISE A CLIENT TO STAY AWAY FROM A COURT-ORDERED HEARING.

UNTIL BILL 1511 IS ENACTED, AND UNTIL THAT BILL, THE CHILD SUPPORT ACT OF 1984 AND ANY FUTURE CHILD SUPPORT BILLS ARE PROPERLY ENFORCED, HUNDREDS OF THOUSANDS OF CHILDREN STAND TO LOSE BECAUSE OF THE ACTIONS OF BELLIGERANT, COURT-DEFYING PARENTS WHO WILL TWIST THE LAW SO AS TO DEPRIVE THEIR CHILDREN OF THE RIGHT TO A BETTER EXISTENCE IN OUR NATION. THE CHILDREN SUFFER, THE CUSTODIAL PARENTS SUFFER, AND OUR NATION'S WELFARE SYSTEM SUFFERS.

I CHARGE THE UNITED STATES SENATE TO LIVE UP TO ITS RESPONSIBILITY OF REPRESENTING ITS CONSTITUENTS. AMERICA'S FUTURE COULD BE GREATLY AFFECTED BY THE GROWING NEGLIGENCE TOWARDS ITS CHILDREN IN NEED OF SUPPORT.

THANK YOU.

PLANNED STATEMENT BY LYLE D. WRAY, Ph.D.

COUNTY ADMINISTRATOR

DAKOTA COUNTY, MINNESOTA

ON SENATE FILE 1511

THE FAMILY SECURITY ACT

February 4, 1988

Mr. Chairman and members of the committee, I am pleased to have to opportunity to appear before you to discuss the Family Security Act.

My name is Lyle D. Wray, and I am the county administrator of Dakota County, Minnesota. In Minnesota, public assistance and child support programs are administered by counties, so I have a direct interest in the proposed legislation. I also have a long standing and broad interest in the area of welfare reform, having served on a number of committees studying the roles of government and the private sector. Most recently I was a member of the National Association of Counties (NACo) Work and Welfare Reform Task Force. I am here today to speak in favor of the Family Security Act. I want to tell you why Dakota County and the NACo Work and Welfare Reform Task Force believe parents should accept their financial responsibilities. I want to tell you why we believe that every person who is able should work. I want to tell you why we think that without extra help, some families will in a revolving door of welfare.

Dakota County sits on the south eastern edge of the Minneapolis-St.Paul metropolitan area. It is a suburban county of 240,000 people which also has significant rural area. It is also a fairly affluent county with about 5% of our citizens living in poverty versus the national average of 13%. Dakota County's steady growth contributes to its relatively low unemployment rate which is about 4.9% versus the national average of 5.4%

Dakota County's size, structure and staff enthusiasm allows it many opportunities to experiment with solutions to a number of problems. One thing we find is that there is little to be gained in spending time debating about a single

problem. It is too easy to ignore the context. The fact is, what appears to be one problem -- child care, for example -- is really a subset of problems. There are as many nuances to child care issues as there are people who struggle with them. Some people need care at night, some need it for sick children, some need it for infants, some need it for their young elementary aged children after school. In many cases such care is not typically available. Many families simply cannot afford quality child care even where it is available.

It is important, therefore, for elected officials to understand the many facets of the problems. You must be specific about what you expect for the money you invest in solutions. We believe that dollars and programs must be targeted to specific sets of people who have well-defined problems. We believe this sort of focused and multi-faceted approach -- as opposed to a single monolithic one -- will succeed. But there is an important caveat to how we define success. We must be realistic about what we can expect to see for our investment. We must accept the fact that we are not going to turn around the lives of every AFDC family with any single solution. We must not only be satisfied with small victories and incremental success, we must seek them out.

The Family Security Act is in concert with Dakota County's experience and with the recommendations of the NACo Task Force. The County is involved in a number of experiments which relate directly to parts of the Family Security Act. What I have to say will give you some idea of how local governments will fare under this legislation.

1. Title I - Child Support.

We endorse vigorous support enforcement. Though Minnesota has been generally progressive in this area, we still fight an uphill battle. Records for my county from 1986 show that only about 1% of AFDC cases were closed because child support payments exceeded the standard of need.

We support setting performance standards regarding the establishment of paternity. Unlike some parts of the country, Minnesota -- and particularly Dakota County -- aggressively seeks to establish paternity, regardless of the apparent economics. Dakota County is pioneering Minnesota's version of an administrative procedure as an alternative to court for some child support actions. The administrative procedure, which handles things like modifications of support orders, is leaving more time for our attorneys and judges to pursue paternity cases.

2. Title II - JOBS (Job Opportunities and Basic Skills) Program

We support making the JOBS portion of the bill mandatory for families with children over age three. We think that many states will find, however, that they will not have to spend a lot of time going after the abusers if the program is funded sufficiently. Dakota County has offered two separate small scale comprehensive jobs programs with child care and other support services. In both cases, we were deluged with applications from AFDC mothers who wanted desperately to get off welfare.

Project Self Sufficiency is one of the programs. Dakota County put together resources from several sources to come up with a package of services for 20 low income single mothers who needed subsidized housing AND who had plans to complete their education. We assured them of housing assistance, child care funds, cash grants and food stamps (where needed), personal and career counseling and education or on-the-job training funds. In return, they worked with our staff to develop plans of self-sufficiency, and agreed to stick to them. Then when we advertised for participants, we received three hundred applications for the twenty slots.

Dakota Area Clerical Opportunities and Training (DACOT) is the other program. It is a six month program to train 20 AFDC caretakers for entry level clerical positions. It is a cooperative effort with the Dakota County Technical Institute and the Dakota County Private Industry Council.

DACOT started with the premise that the first job is not necessarily the last job, that experience in the work world is the crucial link for some caretakers. DACOT, too, promised child care and education, as well as a peer support group which let participants know they were not alone. Again, several hundred AFDC recipients applied for the 20 slots.

We maintain a waiting list for classroom training programs. At last count, 43 (61%) of the people on the list were AFDC recipients. Nearly one-quarter of these had at least three children.

Dakota County maintains a waiting list for sliding fee child care. Today there are 343 low income families on that list. They need child care so they can go to work or to school. Clearly, it is our experience that motivation to get off welfare is not the problem. We frequently work with people who seem to have all odds against them, yet they persist. The problem, then, is inadequate funding to support the expectations of these programs.

3. Title III - Transitional Assistance

We support extended eligibility for subsidized child care for people moving off of public assistance. When recent data showed that only 13% of Dakota County families eligible for sliding fee child care were actually served by the program, our County Board made a commitment to raise that level to at least 20% by 1992. As part of this effort the Board increased the County's contribution to sliding fee child care from $345,000 in 1987 to $436,000 in 1988. To subsidize 100% of our eligible families would cost our County another $5 million each year. Our County Board appointed a Child Care Advisory Task Force made up of local experts to suggest how the County might reach its goal of serving at least 20% of eligible families.

We believe that transitional services go beyond child care and medical assistance. Our experience is that people face transportation problems. They may have very low self-

esteem, making it impossible to overcome life's problems, large and small. We hope that the legislation will address these areas. For its part, Dakota County formed the Economic Self Sufficiency Consortium. The Consortium is a group of 11 local service agencies which recognize that by acting independently, we do not serve the best interests of our clients. If we coordinate our efforts, however, we can help people manuever through the complex system of services. The Consortium will learn by next week if our $1.8 million grant request to fund a common on-line computer information and referral system, use of a common "expert system" to assess the needs of clients, client self help groups, and a mechanism for ongoing improvement of the service system will be funded by the McKnight Foundation.

To sum up, I want to leave you with these points:

- On a small scale, Dakota County has found that different approaches to self-sufficiency can work.
- Vigorous child support must be encouraged. Establishment of paternity, while it is so time consuming, must be a priority.
- Most people want to get off of welfare, they want to pay their own way. They need the chance. They need incentives.
- Without thorough attention to the transition needs of public assistance clients, we risk continuing the revolving door of welfare.

This concludes my remarks. I will be happy to answer any questions you may have.

For further information, please contact:

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UNITED WAY OF AMERICA

POLICY STATEMENT ON WELFARE REFORM

United Way has a one hundred year history of addressing human care needs and problems. First formed in Denver, Colorado in 1887 as a response to the needs created by the gold rush and the vast westward migration, it now exists in over 2,200 communities across the country.

Since the establishment of government income assistance programs in the Great Depression, United Way has maintained this tradition of caring for people who slip through the social safety net that the government has erected. United Way has also formed partnerships with government to accomplish this goal and to more effectively meet human care needs.

Today, United Way is concerned that these social safety net programs are not working effectively. Our nation seems to be allowing the development of an underclass of people without the skills, the resources, or the self confidence to overcome barriers to employment and become full, productive participants in the American dream. Society must do a better job of helping all our fellow citizens to become productively employed to ensure continued economic development.

To reverse this trend, our nation must restructure the welfare system now and replace the present system of income support with a system of incentives and support for employment of those participants able to work. Achieving this goal requires, among other changes, an increased focus on human services.

Without this kind of help, long-term welfare recipients and people who may become welfare-dependent cannot surmount the obstacles that may be keeping them out of the work force.

United Way's history of human care service has given it broad expertise in helping people to become employable by generating and supporting services such as:

- Child and adult day care;
- Employment and employability training, job search and placement;
- Alcohol and drug abuse treatment;
- Youth character development, intervention for troubled youths, programs for school drop-outs, delinquency prevention;
- Teen pregnancy and parenting;
- Counseling for mental health or family problems.

In local communities United Way not only raises money for these and other services ($2.44 billion in 1986) but also, and more significantly, marshalls community support to find new ways to do these tasks better through leadership in community problem solving. Some examples include coordinating services, eliminating service duplication, and stimulating private sector initiatives. United Way has worked in partnership with government at all levels to assess human care needs and services available, plan and fund services, and address community problems.

From this base of knowledge and expertise, United Way supports the following principles for welfare reform.

Principles

- Any program mandates flowing to lower levels of government ought to be accompanied by adequate funding. The experience with deinstitutionalization of the mentally ill to community-based care and the resulting homelessness among the mentally ill shows the catastrophic impact of not following this policy. Most of the money saved in our institutions was not shifted to communities for alternative care. Few new programs were created to replace the old approach.

- The goal of welfare reform should be development of a system which will sustain economic growth by helping people to become employed in productive, useful jobs -- not make-work.

- To encourage and assist welfare recipients to become self reliant, a welfare reform plan must:

  - Avoid building into the system disincentives to self reliance;

  - Develop a strong human services and case management system to help people overcome barriers to their employment;

  - Extend transitional health care benefits to recipients moving into the work force;

  - Provide for a contract between the recipient and the administering agency to develop an individualized service plan and define the obligations of both parties;

  - Build in a feedback and evaluation component to assess the effectiveness of the welfare reform program in helping people to achieve self reliance.

- Those who are not able to work and become self supporting should receive an adequate level of financial support.

- An effective welfare reform plan must include a comprehensive human service element which goes far beyond job placement services. This piece is necessary to help people avoid welfare dependency and to assist long-term welfare recipients to overcome the obstacles that may have kept them out of the work force.

- The best human service systems for people in need are achieved through partnerships among the various levels of government and the voluntary sector.

  - Funding responsibilities may be shared within such partnerships, multiplying and better focusing the resources of each partner.

  - The voluntary sector can contribute matching funds or in-kind contributions to partnership efforts.

- The human services provided through welfare reform must be built upon the foundation of existing services and service systems in our local communities. Voluntary agencies already have much of this infrastructure in place.

  - Voluntary agencies now provide many services needed to help people become employable.

  - Voluntary organizations also have expertise in needs assessment and service coordination which ought to be used in planning and establishing the human service component.

- Welfare reform must encourage creativity and flexibility at both state and local levels in the implementation of work, education, and human service programs in order to permit programs to be tailored to unique social and economic factors in various parts of the country.

  - Local decision-making is especially critical. Local public and voluntary sector policy makers know their community's needs and their institutional resources.

  - In most communities, public and voluntary sectors have come together on an ongoing basis to address some community problems jointly. Welfare reform proposals should encourage these broad-based approaches as a means of stimulating new ideas.

Adopted by Board of Governors December 10, 1987.

STATEMENT OF RICHARD WOODS, PRESIDENT, FATHERS FOR EQUAL RIGHTS

There are 20 million divorced and unmarried fathers in the United States. Some fathers and mothers are willfully negligent in the payment of child support. I am not here to speak in defense of those willfully negligent parents. Indeed, no one is hurt more than I am by their irresponsibility. They perpetuate the negative stereotype which maligns me and the members of my organization whenever we appear in court to seek custody, joint custody, or enforcement of our visitation rights; go before our state legislatures to ask for better visitation enforcement laws; or even try to make ourselves heard by congress.

It is the policy of my organization that fathers and mothers have an absolute obligation to support their children. In counseling over 3,000 fathers, I always advise them to remain current on child support or get caught up if they are behind. This is because there is very little prospect that a court will assist a father in enforcing his visitation rights or getting custody or joint custody if he is behind on support. The general policy of the court is that they can not receive equitable treatment by the court if they do not have "clean hands".

We are proud that Iowa is among the top states in the nation in child support payments. Our Child Support Recovery program is first among the fifty states in cost-effectiveness in support collections in the public assistance program and fourth among the fifty states in overall program effectiveness. We believe that this reflects particularly well on Iowa fathers.

Our actions are consistant with our words. After the Iowa legislature adopted a "long-arm" statute for enforcement of child support orders against fathers in other states, our organization was the first to initiate a long-arm enforcement proceeding.

We feel it is no accident that the Iowa legislature and courts have responded by giving to Iowa fathers the best visitation enforcement and joint custody laws in the United States. Indeed, there is little question that there is a significant correlation between the reliability of support payments and ability to enforce visitation rights.

COMPUTERIZATION OF SUPPORT PAYMENT PROCESSING

There is another area in which Iowa has been in the forefront. Iowa was the first state to implement a centralized, computerized, state-wide Collections Service Center. (Virginia apparently began but did not complete such an experiment.) Unfortunately, the Iowa experiment is a public relations disaster of the first magnitude. It has created monumental personal tragedies for both fathers and mothers.

The Collection Service Center was established in undue haste with regretably single-minded motivation. The Collection Service Center operated with an inexcusable lack of compassion for its clients which allowed thousands of false delinquency notices to be sent out long after the staff knew the computer was generating errors of amazing proportions.

180 computer program errors were built into the system. Thousands of checks were misdirected with serious legal and credit consequences for both fathers and mothers. Although we are told the errors in the computer program have now been repaired, we are a long way from repairing all the damage that was done. A special committee of the legislature called to investigate the situation has ordered that all

conversion of case files from the offices of the clerks of court to the state computer be frozen. There is at least a fifty-fifty chance that the Iowa legislature will vote to abolish the Collection Service Center.

The child support enforcement amendments in the welfare reform bills contain provisions to encourage increasing computerization of support payments. It is important not only that you understand what has transpired in the experiment in Iowa, but why it happened.

The decision to create a Collections Service Center in Iowa was a gamble with the credit ratings, custody, visitation rights, housing, jobs, and lives of 200,000 fathers, 200,000 mothers, and 314,000 children. The state gambled on a child support computer system (CSC) - and WE lost.

To briefly add up the toll, one father committed suicide after the computer falsely reported that he was $30,000 delinquent on child support. At least two child custody hearings were stopped by judges when Collection Service Center notices showing thousands of dollars of non-existent child support delinquency were presented to the court (the judge promptly dismissed the case without hearing the father's testimony). Hundreds of fathers have lost precious visitation time with their children in retaliation for paid but misdirected support payments. As recently as this past December, fathers who only get to see their children twice a year because they live in distant states, missed their Christmas visits. Other fathers suffered damaged relationships with their children, damaged credit ratings, damaged careers, legal expenses and attorney fees, and garnished bank accounts, ALL based on FALSE notices of delinquency and missing checks.

At a public hearing sponsored by my Fathers for Equal Rights organization on the CSC, fathers with complaints were outnumbered by mothers at least two to one. Many child support recipients testified that their support checks were still missing months after their cases were put on the computer. In many of these cases, the mothers had hard evidence that the checks were mailed by the father or the father's employer. One mother said she knew the checks were sent because SHE was the one who put them in the mail. Others testified that checks were lost and the CSC had no record of the lost checks. Some of the mothers testified that they were in danger of eviction from their homes, utility cut-offs, and penalties on past due accounts. Many were going to have extra legal costs because of the problems.

All fathers and mothers who had problems faced the added frustration of telephone lines into the Collection Service Center, which were busy day and night for two solid weeks.

While the computer program may be fixed, still to be resolved is the matter of accountability for those who knowingly allowed the false notices to be sent out and the liability for the errors that were made.

Conversions of existing cases from the clerks of court to the CSC computer were halted in September, reducing the deluge of new complaints. However, that should not be allowed to create the false impression that all problems were solved.

Hundreds of fathers were told, incorrectly, to ignore delinquency notices and other problems. They received this advice from CSC staff, clerks of court, and other sources. This advice submerged complaints, but will lead to legal and financial problems later, such as damaged credit ratings or mandatory withholding. The truth is

that plans DO NOT include reconversion of cases on the computer unless fathers or mothers follow up on complaints.

While the computer program has, apparently, been fixed, thousands of clerical errors in reading and interpreting support orders and errors in entering data have not been resolved. In one case, a clerk interpolated an "8" and a "0" on the date of entry of the decree. The computer produced a notice that the father was $50 million delinquent on child support. A CSC official commented, "Non-computer errors were MUCH too high, MUCH higher than expected."

I am satisfied that new procedures will allow fathers to catch errors before they are entered in the computer and should improve accuracy of clerical conversions to an acceptable level. However, I am concerned that plans do not call for applying these procedures to cases already "converted". A private business which ignored responsibility for past billing errors would soon be out of business.

Many fathers have not received notices that their cases have been converted. Many of these fathers have been ORDERED to make support payments in cash by the court or the Child Support Recovery agencies, including some counties where cash payments were the standard operating procedure. Some of these fathers won't learn about the conversion until they become the victims of adverse legal actions, such as mandatory withholding or lost tax refunds. Even though many of these fathers are current on support, they will be forced into expensive litigation to repair the damage.

The system is not flexible enough to handle the complexities of some cases. Some support orders contain special provisions, such as: contingency clauses relating to physical care arrangements; cost-of-living increases; changes in the father's or mother's income or educational status; tax exemptions; mortgage payments; health or life insurance payments; and non-cash payments, such as clothing, food, or a cow. Many of these cases won't fit ANY computer program. These provisions work well for the parties involved. Similarly, satisfactions of judgment will not be shown on payment records generated by the state computer. The government should not attempt to impose uniformity on these cases for the convenience of computer programmers. Further, such cases will result in false delinquency reports to credit agencies.

It was decided that CSC would cash all support checks and then issue new state checks to the mother because, we were told, many support checks bounce. However, by CSC figures, less than one tenth of one percent of all checks have bounced. Some of these bounced checks are due only to the shorter turn-around time created by the CSC. Fathers accustomed to a week or more of "float time" before the check was cashed were taken by surprise when their checks were cashed by CSC the day after being dropped in the mail. Even so, by CSC's own statement, this percentage of bounced checks is MUCH lower than expected. It is even lower than the rate expected by a private business. Since CSC figures prove that fathers are far more responsible than assumed when this policy was implemented, it is not necessary for CSC to cash support checks.

We are concerned about this because cancelled checks can be useful in locating mothers who have moved without notice to the father. Further, at least one father told us that he monitors the cancelled checks to see that it is, indeed, the mother's signature on the check. Some checks had been cashed by the mother's boyfriend to support his drug habit. Cashing of checks by the CSC takes away these options.

Should Iowa's CSC be abolished and the functions of processing support payments returned to the clerks of court? CSC does provide advantages to fathers. It offers the possibility of electronic

transfers and payments through automatic teller machines. Further, CSC can provide data which will undoubtedly prove that claims about the numbers of "deadbeat dads" who fail to pay child support are incredibly exaggerated.

The problem is that the potential number of payments which needed to be flawlessly transfered from the records of the clerks of court to the computer in Iowa could be as high as 200 million transactions. Plans for conversion of existing cases from the clerk of court to the CSC were unrealistic and created enormous problems for parents. Procedures for error correction were terribly inadequate.

When the Collections Service Center was proposed, we were assured that the CSC would be kept entirely separate from child support enforcement, both in staff and function. We have since learned of a hidden agenda to use CSC as an enforcement tool. This is a conflict of interest which would compromise the integrity of the record-keeping function. This is analogous to putting the fox in charge of counting the chickens.

If the CSC is retained in Iowa or created in other states, the matter of independant function of support processing and support enforcement MUST be clarified and resolved by law.

With these qualifications, our position on the future of the Collections Service Centers is that such programs can serve useful functions and provide some advantages to fathers and mothers.

However, such programs should be phased in by entering into the system only orders from new divorces and paternity orders; modification of existing orders in which the court varifies the amount of support owed, the amount paid, and the delinquency, if any; and mandatory withholding orders in which the past payment record and any delinquency is varified and acknowledged by both parties. Conversions of existing files from the clerks of court to the centralized computers are confusing, hazardous, and of questionable benefit. At most, such conversions should be initiated only on a voluntary basis by parties who want to take advantage of electronic transfer or payment through automatic teller machines. We hope that you will not make the mistake of cloning the Orwellian monster which was created in Iowa and inflicting it on other states.

AUTOMATIC MANDATORY WITHHOLDING

As I commented earlier, no one is hurt more by those fathers who are willfully negligent in making child support than I am. Almost anything congress can do to go after those willfully negligent fathers and collect that delinquent support will be welcomed by me and my organization.

- BUT DON'T HANG THE WRONG GUYS! The 1984 amendments to the child support enforcement law, then HR 4325, provided that all fathers who are thirty (30) days delinquent on child support would be placed under mandatory withholding. As a practical matter, basing legal actions on shorter delinquencies is probably not managable. Therefore, for all practical purposes, all fathers who are delinquent on child support are covered by the existing law.

Who is left to be penalized if congress adopts automatic mandatory withholding as contained in the current welfare reform bills, HR 1720 and S 1511? Automatic mandatory withholding penalizes ONLY the fathers who are CURRENT on child support, including some fathers who haven't missed a child support payment in seventeen (17) years.

The amendment added to HR 1720 by the House on December 16 would cover EVERY divorced and unmarried father who is current on child

support, not merely new divorce cases or modifications as provided by earlier versions of the bill. I am certain that this was adopted by the House with the best of intentions, but the effect would be to penalize the responsible, reliable fathers who are CURRENT on child support. Even the Office of Child Support Enforcement has varified that this is precisely what HR 1720, as amended, would do.

We want to see the willfully delinquent fathers forced to pay as much as anyone, if not more so. However, we do NOT want to see well-intended legislation penalize the wrong people and I believe that each of you share that view.

CORRECTING DEFICIENCIES IN EXISTING MANDATORY WITHHOLDING LAWS

Iowa adopted mandatory withholding after a thirty day delinquency before congress adopted the 1984 child support enforcement amendments. That has given us experience and perspective on mandatory withholding beyond that of most states. I want to stress that in most cases, mandatory withholding after thirty days works as it was intended to work. While the impact of taking sixty-five percent of a delinquent father's take-home pay is severe, it is probably more productive than throwing a father in jail on contempt (although some optional enforcement mechanisms are presented below).

I urge you to keep in mind that not all fathers who fall behind on child support do so willingly. As you are probably aware, Iowa has suffered through an economic depression through most of the past decade. Lay-offs, reductions in hours, pay cuts, and farmers who found themselves operating at a loss were caught in a vice between child support orders issued in better economic times and the realities of an economic depression. There were no other jobs available in many areas of Iowa at ANY wage. These fathers fell behind on child support through no fault of their own and were unable to afford the attorney fees necessary to modify their support orders. It would be helpful to have an administrative process for reducing child support orders for fathers who are faced with loss of income through no fault of their own. This should be done keeping in mind that intact families would handle such a crisis by reducing their standard of living.

While the current mandatory withholding law with the thirty-day delinquency provision has worked largely as expected, there are cases in which it has had unintended consequences. Certainly the most severe unintended consequences are the surprisingly large number of cases in which the father has, for one reason or another fallen behind on child support and is placed under a mandatory withholding order; then, at a later date, the children go to live with the father; the father asks the Child Support Recovery Unit (CSRU) to stop the mandatory withholding order; he is told by the CSRU officer, citing the provisions of Office of Child Support Enforcement regulations forbidding the lifting of mandatory withholding orders, "Go hire an attorney." There is no way for most fathers, already under mandatory withholding orders taking up to sixty-five percent (65%) of their income, then saddled with the costs of feeding, clothing, and housing their children, to afford legal representation. In one case on which I have worked, the son has lived with the father since June, 1986 and the father STILL has not been able to afford the necessary filing fee just to get the modification on file. The mandatory withholding order continues to send fifty percent of his income to the mother who is living in Texas. She keeps the money. To speak very plainly, this puts the government in the position of stealing food out of the mouths of children, rather than protecting them, as the law was intended to do.

Two other cases, though extreme, are important to illustrate the point. Two fathers were placed under mandatory withholding orders. Subsequently, following incidents of child abuse in the home of the

mothers, the children were removed from the mothers' homes and placed in the homes of their fathers by the juvenile court. The fathers asked that the mandatory withholding orders be lifted so that they could afford to care for their children. The request was refused by the CSBU, again citing federal regulations. In these two cases, the fathers were forced to give up custody of their children and place them in foster care. I respectfully submit that these are the most absurd applications of public policy I have ever seen.

In other cases, court orders provide that fathers shall have the children in their care for extended periods of time, such as the entire summer, during which time child support shall abate. Mandatory withholding orders, however, come off a boiler plate. They do not include exceptions for periods of time when the children, by decree, are to be in the care of their fathers. Again, the law takes income AWAY from the children, rather than as intended.

There are many cases in which the fathers have custody of one or more children from the marriage while other children from the same family reside with the mother. In these cases, if the mother goes on AFDC, support and mandatory withholding orders are entered which benefit one child while penalizing two other children from the same family.

Further, there are a very large number of cases in which fathers have remarried and begun second families. (Many of these fathers are family-oriented and the break-up of the first marriage was against their wishes.) The children of the second marriage are adversely affected by a mandatory withholding order entered on behalf of the children of the first marriage. CSBU officers frequently reply that supporting the children of the first marriage comes first. That line of thought treats the children of the second marriage as though they are a deniable reality. Further, the second family is not eligible for public assistance because the father's full income is counted, before withholding of child support. However, in truth the second family may be living well below the poverty level. These consequences are inhumane and simply not acceptable. Enforcement of child support is an admirable goal, but not always the clean, neat business we might like it to be.

An entire additional catagory of problems surrounds reactions to the mandatory withholding order by the father's employer. While the law prohibits firing a father for being under a mandatory withholding order, I have at least two hundred (200) cases in my computer files in which, after a long work history for the same employer, the father was fired within a few days of being placed under a mandatory withholding order. The employers may give other excuses, but the truth of discrimination against fathers under mandatory withholding orders is obvious. Yet, none of the two hundred fathers I have tried to help reclaimed their jobs or successfully prosecuted civil claims against their former employers. Further, our court monitors around the state have been unable to find a single example in which a father terminated because of mandatory withholding successfully won reinstatement or civil damages from the employer.

The position of the small business is understandable. Not only is it an additional paperwork burden, but the small employer is made liable, by law, for the part of the father's income which should be withheld for child support. For many small employers, hours and pay vary from week to week. There is always a danger of not withholding enough and being sued by the mother for the balance. Further, such orders place the employer between the father and the ex-wife. If there is a temporary lay-off or a work slow-down, the ex-wife is quick to call or come on the the employer's place of business loudly complaining that her child support check didn't arrive or was too small. In small town retail businesses, such scenes in front of customers can be fatal to the business. However, I have also seen cases in which image-conscious federal agencies have fired fathers for being under mandatory withholding orders.

In the MOST dramatic case, the father's employer called me to ask if I could get the mother and her attorney off his back: the attorney was threatening to garnish his business account because the attorney suspected that his client had not received all the child support from the father's employer to which she was entitled. This would have put the employer out of business almost immediately. After trying unsuccessfully to mediate with the ex-wife's attorney, I had to advise the employer that it appeared to me the only way to save his business was to terminate the father. The father was fired from his job.

In another case, a bankrupt farmer was ordered to pay $645 per month in child support. He lost everything he owned in the divorce and bankruptcy. He now lives on a farm which is owned by his mother, doing the farm work in lieu of rent on the farm house. CSRU decided that the farmer's 75-year-old mother is an employer, paying salary in the form of rent-free use of the farm house, and entered a mandatory withholding order against her. Now, the ex-wife and her attorney can garnish the grandmother's social security or force her to throw her son off the farm.

PRACTICAL OPTIONS TO PREVENT CHILD SUPPORT DELINQUENCY

A great deal could be accomplished by attacking the causes of child support delinquency instead of merely focusing on the result.

There are dozens of rational, sensible steps we could take to discourage divorce. A few minor legal changes, marriage enrichment classes, and subsidized marriage counseling for low income families - an investment of a tiny fraction of what we currently spend on welfare and support enforcement - could save ENORMOUS sums in future welfare and support enforcement, plus much of the costs resulting from the negative impact of divorce on children: educational deficiencies; juvenile crime; alcoholism and drug treatment; and teenage pregnancies.

Another positive step: although I consider it irrational and wrong-headed, the truth of the matter is that many fathers stop paying child support when they are denied visitation rights with their children. This motive can be alleviated by encouraging states to adopt effective visitation enforcement laws, providing funds to publicize options which are available, and providing specialized lawyer referral. In our experience in the state of Iowa, this approach is the most efficient. We do not oppose the recommendation of mediation contained in the access provisions of the welfare reform bills. However, the proposed demonstration projects are much too small. Mediation, which is suggested in the bills is a good idea, but is not the solution for all cases. A truly intransigent mother can not be forced to permit visitation unless mediation is backed up by effective visitation enforcement laws.

Current tax law acts as a disincentive for paying child support. The law denies fathers the tax deduction for the children EVEN IF he has been awarded that tax deduction by court order. (The IRS requires the additional step of obtaining a signed Form 8332, which, notwithstanding the court order, many mothers refuse to sign.) Further, fathers get no credit for paying child support even though it is often an involuntary transfer of income from one household to another.

Another option would be for congress to create an additional civil penalty for willful delinquency on child support, perhaps on a sliding scale or as a percentage of the delinquency accrued.

Further, in cases in which the mother is on AFDC, rather than

raising the fixed dollar amount of support being passed through to the mother and children (before the rest is taken to off-set the AFDC payment), base the amount passed on to mothers and children on a formula (such as the first $25.00 and twenty-five percent of the payment in excess of $25.00). I know of cases under the current system in which social workers have recommended to fathers that they only pay the first $25.00 in child support through the clerk of court and pay the rest in cash under the table directly to the mother.

These recommendations would be positive steps toward attacking the CAUSES of child support delinquency. They would be far more constructive than penalizing the fathers who ARE current on child support by placing them under automatic mandatory withholding.

Respectfully submitted,

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Ref: FES/djm/87 12th February 1987

The Prime Minister,
The Rt. Hon. Margaret Thatcher,
10 Downing Street,
London SW1.

Dear Prime Minister,

Counting Women's Work in the Gross National Product

The YWCA of Great Britain has no doubt that the document "Forward Looking Strategies for the Advancement of Women" as amended at the final World Conference United Nations Decade for Women at Nairobi in July 1985, and passed by the United Nations General Assembly in New York on 6th November 1985, has been brought to your attention by many organisations and individuals.

Like them, this Association, as a women's organisation, asks you to note particularly paragraph 120, which calls for women's work both remunerated and unremunerated to be recognised and counted in the Gross National Product, and for concrete steps to be taken to quantify women's unremunerated work for this purpose.

In doing so, we ask that particular attention be paid to the additional burden thrown on many women, who still represent the majority of unremunerated carers in the United Kingdom, by cuts made in the provision of statutory social services. It is difficult to avoid the conclusion that some of these cuts are made on the assumption that women will make up the shortfalls by additional unwaged work. The burden falls particularly heavily on the women of already disadvantaged sections of the community, including ethnic minorities and the unemployed.

cont/

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We remind you that, despite legislation intended to rectify the position, the average wages of women in employment still lag substantially behind those of men, so that even women's remunerated work lacks proper recognition. The Women of Iceland, by their "Day Off" in 1975, demonstrated the result of the withdrawal of women's labour for just one day. A similar demonstration in this country would, in our view, have a similar result.

We ask you, as a woman who has achieved the highest office, to take steps to see that the contribution of all women to the economy of the United Kingdom is at long last properly recognised and acknowledged. In our view, the steps set out in paragraph 120 are the most appropriate way of achieving this.

Yours sincerely,

Elizabeth Sharples

Joyce Scroxton CBE
President

F. Elizabeth Sharples
Executive Director